



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS	REDEVELOPMENT AGENCY
Dennis Kennedy, Mayor	Dennis Kennedy, Chair
Steve Tate, Mayor Pro Tempore	Steve Tate, Vice-Chair
Larry Carr, Council Member	Larry Carr, Agency Member
Mark Grzan, Council Member	Mark Grzan, Agency Member
Greg Sellers, Council Member	Greg Sellers, Agency Member

WEDNESDAY, FEBRUARY 2, 2005

AGENDA

JOINT MEETING

CITY COUNCIL SPECIAL AND REGULAR MEETING

and

REDEVELOPMENT AGENCY SPECIAL MEETING

5:30 P.M.

A Special Meeting of the City Council and Redevelopment Agency is Called at 5:30 P.M. for the Purpose of Conducting an Urban Limit Line Workshop and Closed Sessions.

Dennis Kennedy, Mayor/Chairman

CALL TO ORDER

(Mayor/Chairperson Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

5:30 P.M.

City Council Action

WORKSHOP:

	Time Estimate		Page
1.	60 Minutes	<u>URBAN LIMIT LINE/GREENBELT STUDY WORKSHOP</u>	9
		<u>Recommended Action(s):</u>	
		1. <u>Review</u> the Final Draft of the Urban Limit Line/Greenbelt Study Advisory Committee Report; and	
		2. <u>Authorize</u> the Advisory Committee to Conduct a Public Meeting to Solicit Community Input and Finalize Their Recommendations.	

6:30 P.M.

City Council Action and Redevelopment Agency Action

CLOSED SESSION:

1.
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Authority: Government Code Sections 54956.9(b) & (c)
Number of Potential Cases: 4
2.
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Authority: Government Code 54957
Public Employee Performance Evaluation: City Attorney
Attendees: City Council

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

Future Business Leaders of America Week
Elaine Lui, and Tiffany Schyuan

PRESENTATION

Criterion Cycling Event
Tom Simpson, Principal of Pilarcitos Cycle Sports

CITY COUNCIL REPORT

Council Member Sellers

CITY COUNCIL SUB-COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council Action

CONSENT CALENDAR:

ITEMS 2-13

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

2. **INVENTORY PURCHASE FOR AQUATICS CENTER**.....12
Recommended Action(s): Approve Funding in the Amount of \$40,000 for Aquatic Resale Purchases to be Financed by \$40,000 in Estimated Retail Sales.
3. **APPROVAL OF ADDITIONAL APPROPRIATION FOR EQUIPPING BUTTERFIELD BOULEVARD WATER WELL**.....13
Recommended Action(s): Approve Appropriation of \$100,000 From the Current Year Unappropriated Water Impact Fund (651) Balance to Augment Funding for this Project.
4. **APPROVAL OF REAL PROPERTY ACQUISITION AGREEMENT FOR NEW WELL EASEMENT**.....14
Recommended Action(s):
 1. **Approve** Acquisition of a Well Easement; and
 2. **Authorize** the City Manager to Execute a Real Property Acquisition Agreement with the Owner of APN 726-27-127, Subject to Review and Approval as to Form by the City Attorney.
5. **SECOND QUARTER REPORT ON 2004-2005 WORKPLAN**.....15
Recommended Action(s): Accept Report.

Time Estimate
Consent Calendar: 1 - 10 Minutes

Page

6. [AMENDED RESOLUTION AUTHORIZING THE SANTA CLARA COUNTY DEPARTMENT OF AGRICULTURE AND RESOURCE MANAGEMENT TO ABATE WEEDS](#).....16
Recommended Action(s): Adopt Amended Resolution Authorizing the Santa Clara County Department of Agricultural and Resource Management to Abate Weeds.

7. [ADOPT ORDINANCE NO. 1708, NEW SERIES](#).....31
Recommended Action(s): Waive the Reading, and **Adopt** Ordinance No. 1708, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MP-03-04: COCHRANE-BORELLO. (APN 728-34-007) (DA-04-06: COCHRANE-BORELLO).**

8. [ADOPT ORDINANCE NO. 1709, NEW SERIES](#).....34
Recommended Action(s): Waive the Reading, and **Adopt** Ordinance No. 1709, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE MORGAN HILL MUNICIPAL CODE INCORPORATING CHAPTER 18.17 ESTABLISHING AN R-4 HIGH DENSITY RESIDENTIAL DISTRICT.**

9. [ADOPT ORDINANCE NO. 1711, NEW SERIES](#).....40
Recommended Action(s): Waive the Reading, and **Adopt** Ordinance No. 1711, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON TWO SEPARATE AREAS TOTALING 7.07 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN.**

10. [ADOPT ORDINANCE NO. 1712, NEW SERIES](#).....43
Recommended Action(s): Waive the Reading, and **Adopt** Ordinance No. 1712, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING TEXT AMENDMENTS TO THE MORGAN HILL MUNICIPAL CODE CHAPTER 18.50 OFF-STREET PARKING AND PAVING STANDARDS.**

11. [ADOPT ORDINANCE NO. 1713, NEW SERIES, AS AMENDED](#).....46
Recommended Action(s): Waive the Reading, and **Adopt** Ordinance No. 1713, New Series, As Amended, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM ML, LIGHT INDUSTRIAL TO CO, ADMINISTRATIVE OFFICE FOR ONE PARCEL TOTALING 1.45 ACRES LOCATED AT THE NORTHWEST CORNER OF TENNANT AVENUE AND CAPUTO DRIVE. (APNS 817-29-027)**

12. [APPROVE SPECIAL CITY COUNCIL COYOTE VALLEY SOUTH COUNTY STAKEHOLDERS WORKSHOP MINUTES FOR JANUARY 12, 2005](#).....49

13. [MID-YEAR 2004-2005 BUDGET ADJUSTMENTS](#)..... 53
Recommended Action(s): Approve Proposed Mid-Year Budget Adjustments for FY 2004-2005.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 14 - 15 -

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

14. [IMPROVEMENT AGREEMENTS AND SUBDIVISION AGREEMENTS INSURANCE REQUIREMENTS](#)55
Recommended Action(s):
Acting as the Redevelopment Agency Board:
1. **Grant** to South County Community Builders, for the Viale Project, an Amount, not to Exceed \$21,000, Necessary to Reimburse South County Community Builders for the Incremental Cost of Purchasing a Liability Insurance Endorsement that would Extend Coverage for “Completed Operations” or “Your Work” to the City of Morgan Hill as an Additional Insured, so that South County Community Builders may meet the Requirements of its Subdivision Improvement Agreement with the City; and
Acting as the City Council:
2. **Amend** the Improvement Agreements and Subdivision Improvement Agreements Insurance Policy as Described in the Staff Report.
15. [APPROVE SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR JANUARY 19, 2005](#)56

City Council Action (continued)

CONSENT CALENDAR:

ITEMS 16 - 17

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

16. [AWARD OF MAINTENANCE CONTRACT FOR SANITARY SEWER ROOT ABATEMENT PROJECT](#)96
Recommended Action(s):
1. **Award** Maintenance Contract to Pacific Sewer Maintenance Corporation for the Sewer Root Abatement Project in the Amount of \$144,750;
2. **Approve** 5% Construction Contingency Funding of \$7,250; and
3. **Appropriate** From the Current Year Unappropriated Sewer Capital Fund (643) Balance a Total of \$152,000.

Time Estimate	Page
Consent Calendar: 1 - 10 Minutes	

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| 17. | | <u>ADOPT ORDINANCE NO. 1710, NEW SERIES</u>97
Recommended Action(s): <u>Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1710, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON 11.13 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN AS THE AREA LOCATED BETWEEN THE SOUTH SIDE OF EAST CENTRAL AVENUE AND NORTH OF EAST MAIN AVENUE, BETWEEN MONTEREY ROAD AND THE RAIL ROAD TRACKS. (APNS 726-23-001 THRU 015). | 97 |
|-----|--|---|----|

Redevelopment Agency Action

OTHER BUSINESS:

Time Estimate	Page
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- | | | | |
|-----|------------|--|-----|
| 18. | 10 Minutes | <u>QUARTERLY REPORT FROM THE CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT PARTNERSHIP</u>100
Recommended Action(s): <u>Accept</u> Report. | 100 |
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City Council Action

OTHER BUSINESS:

Time Estimate	Page
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- | | | | |
|-----|------------|--|-----|
| 19. | 15 Minutes | <u>SWIM TEAM RESERVATION POLICIES AT THE AQUATICS CENTER</u>101
Recommended Action(s): <u>Approve</u> Policies Establishing Reservation Procedures for Lane Space at the Aquatics Center; and | 101 |
| 20. | 5 Minutes | <u>AUTHORIZE APPLICATION TO MORGAN HILL AQUATIC CENTER, INC. FOR SUBSIDY FUNDING OF SWIM TEAM LANE USE</u>102
Recommended Action(s): <u>Direct</u> Staff to Submit an Application to Morgan Hill Aquatic Center, Inc. for Subsidy Funding in Support of Swim Team Lane Use. | 102 |
| 21. | 10 Minutes | <u>WATER CONSERVATION ACTIVITY REPORT AND APPROPRIATION</u>103
Recommended Action(s):
1. <u>Direct</u> Staff to Prepare Public Bid Documents for the Construction of a Demonstration Water Conservation Garden at City Hall; and
2. <u>Appropriate</u> \$13,000 From Unappropriated Fund Balance in Water Operations Fund (650) for a Transfer to the Parks Development Fund for the Development of Construction Documents for the Demonstration Water Conservation Garden Project, CIP #126005, and <u>Appropriate</u> \$13,000 into the Parks Development Fund (301). | 103 |
| 22. | 10 Minutes | <u>INDIAN TRIBE DEVELOPMENT PROPOSALS</u> 104
Recommended Action(s): <u>Consider</u> Policy Issues and <u>Provide</u> Direction for Continued Staff and Council Involvement. | 104 |

OTHER BUSINESS:

	Time Estimate		Page
23.	15 Minutes	<u>EVALUATION OF SYSTEM OF COMMITTEES AND COMMISSIONS</u>	105
		<u>Recommended Action(s):</u>	
		1. <u>Consider</u> the Report and Recommendations;	
		2. <u>Request</u> the Library Commission and the Parks and Recreation Commission to Comment on the Suggestions for Modifications in Their Scope of Responsibility; and	
		3. <u>Request</u> All Citizen Commissions to Prepare Work Plans for Consideration during the Annual Budget Process.	
24.	10 Minutes	<u>REVIEW OF CITY COUNCIL COMMITTEES AND APPOINTMENTS TO OUTSIDE AGENCIES (Continued from 1/19/05)</u>	118
		<u>Recommended Action(s):</u>	
		1. <u>Review</u> the Current List of Assignments and Appointments and Make Suggested Changes to the Mayor;	
		2. Mayor to <u>Appoint</u> Council Members to Serve on the Various Council Committees and Outside Agencies, Subject to City Council Approval; and	
		3. <u>Direct</u> the City Clerk to Notify the Appropriate Agencies of Amended Assignments.	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 1

Prepared By:

Contract Planner

Submitted By:

City Manager

TITLE: Urban Limit Line / Greenbelt Study Workshop

RECOMMENDED ACTIONS:

1. Review the final draft Urban Limit Line / Greenbelt Study Advisory Committee report
2. Authorize the Advisory Committee to conduct a public meeting to solicit community input and to finalize their recommendations

EXECUTIVE SUMMARY: In July of last year, the City Council approved a process for its involvement in the development and review of the Urban Limit Line / Greenbelt Study Advisory Committee's work. That process calls for the Council to conduct a workshop to review the draft Committee recommendations prior to the Committee holding a meeting to solicit community comments on the draft report. At this workshop, the Council is not being asked to adopt the Committee's recommendations, only to determine that the recommendations are adequate and appropriate for public review.

The Urban Limit Line / Greenbelt Committee has completed a draft report of its recommendations. The attached Draft Final Advisory Committee Report identifies key background information and the Committee's draft recommendations. Also attached is a Summary of Key Recommendations of the Committee. The Appendix to the Advisory Committee's report includes a memo from property owners in the Southeast Quadrant (SEQ) that identifies issues and recommendations, some of which have been addressed in the Committee's Report. In the attached Committee Report:

- The location of the ULL is identified on Map 2 and pages 9 and 10;
- The location of the Greenbelt is identified on Map 2 and pages 13 and 14;
- Six site-specific ULL and Greenbelt issues are described on pages 14 to 17;
- Recommendations for the SEQ are on pages 25 to 33 and, for implementation, pages 43 to 45; and
- Implementation issues including General Plan amendments; Urban Growth Boundary amendments, development of a Greenbelt Program and desired modifications to the Santa Clara County development review process are identified on pages 35 to 43.

Should the Council authorize the Study process to continue, the remaining steps will include:

- Advisory Committee holds public meeting;
- Advisory Committee finalizes report and recommendations;
- City Council reviews recommendations and directs staff to undertake the environmental review;
- Planning Commission review of the Committee's recommendations and environmental assessment; and
- City Council action on the environmental assessment and study recommendations.

Review by the San Martin Planning Committee, South County Joint Planning Advisory Committee and Santa Clara County is also anticipated.

FISCAL IMPACT: City Council authorization of an Advisory Committee public meeting and completion of the Committee's work is addressed by the project budget and would not have a fiscal impact. If the City ultimately adopted the Advisory Committee's Draft Recommendations, there would be significant fiscal impacts for additional studies, augmentation of City staff resources and implementation of a Greenbelt land acquisition program.

Attachment A

URBAN LIMIT LINE / GREENBELT STUDY SUMMARY OF KEY RECOMMENDATIONS

February 2, 2005

Following is a summary of the major recommendations contained in the attached Urban Limit Line / Greenbelt Study.

The Urban Limit Line

- An Urban Limit Line (ULL) should be established to define the ultimate limits of City urbanization. In most locations, the Greenbelt should be located outside of the ULL.
- In most portions of the City's planning area, the ULL should closely follow the Urban Growth Boundary (UGB).
- Major areas proposed for inclusion within the ULL which are outside of the UGB include:
 - The area north of the Madrone Business Park, west of Highway 101 and east of Clayton Avenue
 - The area east of Hill Road, extending to the foot of the hills, and south of Half Road and north of Rosetta Drive.
 - The area which is generally bounded by Main Avenue on the north, Diana Avenue on the south, Hill Road on the east and Murphy Avenue on the west.
 - The area which is generally bounded by San Pedro Avenue, Carey Lane, Maple Avenue and Highway 101 (i.e. the Southeast Quadrant). As noted below, this area would be the subject of future studies which would, in part, locate the ULL in this area.

The Greenbelt

- A greenbelt should be established to separate Morgan Hill from San Jose and San Martin and to provide a permanent open space frame for the City in the foothills to the east and west.
- Areas outside the Urban Limit Line that are generally comprised of parcels of less than 10 acres in size should not be included within the Greenbelt
- Land use within the Greenbelt should be limited to agriculture, parks and other open space uses with minimal improvements. Existing uses (primarily residential) would remain with additional regulation of limited future development.
- At the northern end of the City, the Greenbelt should consist of San Jose's Coyote Valley Greenbelt, the Baird Ranch (west of Hale and north of Llagas Valley) and the County Coyote Creek Park chain.
- The foothills on the eastern and western sides of the valley should generally be included within the Greenbelt. The Holiday Lake Estates and Jackson Oaks subdivisions are not proposed to be within the Greenbelt.

- The western side of El Toro, the foothills to the west of Paradise Valley, the hill north of Edmundson Avenue and east of DeWitt Avenue and the hill south of Edmundson Avenue and west of Sunnyside Avenue should all be included within the Greenbelt.
- Silveira Park and the City-owned land along Llagas Creek to the west of Silveira Park should form the Greenbelt at the southern end of the City.

The Southeast Quadrant Area

- The area located east of Highway 101 and south of San Pedro Avenue, generally referred to as the Southeast Quadrant should be further studied with the intent of providing for long-term urbanization of the area, and including significant open space areas and a rural atmosphere.

Implementation of the Plan

- The location of the ULL and Greenbelt areas should be included within the General Plan.
- A targeted program of acquisition of property through conservation easements and purchase of fee title should be pursued to create the Greenbelt.
- A variety of funding sources should be used to acquire Greenbelt properties.
- Property should only be acquired from willing sellers.
- Land use regulation, including amended Santa Clara County development regulations, should be used to minimize the visual impact of future development in the hillside areas.
- Priorities for acquisition should focus on El Toro and the foothills east of Hill Road and north of Dunne Avenue.
- Permanent open space easements should be recorded over 82 acres of visually important hillsides owned by American Anchorpoint Academies in the area north of Edmundson Avenue and east of DeWitt Avenue. In conjunction with these easements four houses would be developed on the Edmundson frontage and twenty acres of land west of Sunset Avenue would be added to the City UGB and designated for Low Density single family development after annexation.
- For the Southeast Quadrant:
 - An analysis of future City-wide industrial needs should be conducted to determine the specific need for future industrial uses in this area.
 - An Area Plan should be prepared to define the extent and location of future land uses in this area and to develop a strategy for acquisition of open space areas and phasing of development. This Area Plan would be followed by a series of Specific Plans closer to the time development is anticipated.



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 2

Prepared By:

**Manager, Recreation &
Community Services**

Submitted By:

City Manager

INVENTORY PURCHASE FOR AQUATICS CENTER

RECOMMENDED ACTION(S): Appropriate funding in the amount of \$40,000 for aquatic resale purchases to be financed by \$40,000 in estimated retail sales.

EXECUTIVE SUMMARY:

This is a request to Council for an additional allocation of \$40,000 for purchase specifically of our resalable retail products. The amended budget approved by Council on October 27, 2004 showed projected revenue for retail sales lower than we now anticipate for specific months. The months of February and March were projected to be \$6,250 and \$15,155 respectively. Our two largest vendors (Speedo and TYR) have informed staff that the amounts do not reflect the anticipated purchases to be made by the February Meet and the March Far Westerns Meet to be held at the Center. There is a demand to have greater quantities of stock on hand for these events. It is anticipated that February could show an increase of \$10,000 in sales and \$20,000 in March for Far Westerns.

The impact on the budget will either be positive by the retail sale of the purchased product or no effect as the purchase price of items in stock at fiscal year's end is then moved forward to next year's budget. According to the city's accounting methods, any purchases and sales are reflected on this year's budget. At the end of the fiscal year, Finance has us perform a detailed inventory of products on hand and those expenses will be moved to the following year, along with the product. This may result in a reduced amount we will need to spend on products for next year or we offer them on special at the end of the year. Either way results in a positive outcome.

We have been told that for the larger meets, such as Far Westerns, that we should average \$25 per swimmer through the door in retail sales. The comparison we have to this was the CVAL's meet we hosted this past summer where we averaged approximately \$19 per swimmer. Products sold will generate additional revenue at a profit and products not sold will be transferred to next year's fiscal budget at the end of the year reconciliation and will not reflect as an additional expense to this year's final operating bottom line.

FISCAL IMPACT: One time allocation of \$40,000 will be recovered either in retail sales or end of year adjustment to the next fiscal year with remaining product.



CITY COUNCIL STAFF REPORT
MEETING DATE: *February 2, 2005*

**APPROVAL OF ADDITIONAL APPROPRIATION FOR
EQUIPPING BUTTERFIELD BOULEVARD WATER WELL**

RECOMMENDED ACTION: Approve appropriation of \$100,000 from the current year unappropriated Water Impact fund (651) balance to augment funding for this project.

Agenda Item # 3

Prepared By:

Senior Civil Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

EXECUTIVE SUMMARY: At its July 7, 2004 meeting, the Council declared a water supply emergency due to the loss of certain production wells that had detection of perchlorate. The Council further appropriated \$350,000 out of the Water Fund balance and transferred \$200,000 from another project for a total project budget of \$550,000 to secure a new well site and to provide a new production well.

Staff was successful in acquiring a property for a new well located off of Butterfield Boulevard just south of the Morgan Hill Business Park. Since July 2004, staff has begun construction of the well, completed the extensive approval process from Department of Health Services and is working with the City's consultant to finalize the design of the infrastructure the well. It is staff's plan to have the well in operation by this summer in order to meet the City's summer peak water demand. Additionally, design of the pump station to house the well will be completed in the next couple of months with construction anticipated to begin approximately July 2005 lasting through approximately October 2005.

Our costs on this project have increased by \$100,000 because our first test well was unsuccessful and a second well had to be drilled, and due to unexpected expense of having to concrete encase a nearby sewer trunk line. The new well will have a production capacity of approximately 500 gallons per minute.

Staff requests an additional \$100,000 to complete all necessary construction, construction management and permitting to establish the temporary well to produce water by July 2005.

FISCAL IMPACT: This project is funded in the FY 04/05 Capital Improvement Program (CIP) Budget, Project #601093. Staff requests an additional appropriation of \$100,000 from our current unappropriated Water Impact Fund (651) balance. These costs were anticipated in our most recent water rate analysis as perchlorate related costs and will be tracked separately with reimbursement pursued from the Olin Corporation.



CITY COUNCIL STAFF REPORT
MEETING DATE: February 2, 2005

**APPROVAL OF REAL PROPERTY ACQUISITION
AGREEMENT FOR NEW WELL EASEMENT
(APN: 726-27-127)**

RECOMMENDED ACTION: Approve acquisition of a well easement and authorize the City Manager to execute real property acquisition agreement, subject to approval as to form by City Attorney, with the owner of APN 726-27-127 for a total compensation of \$21,500.

EXECUTIVE SUMMARY: Staff has been working on acquiring an easement for construction of a new water well under emergency conditions per City Council direction. Staff located a suitable water well site and negotiated with the property owner to acquire a portion of his property for the water well. The site is located off of Butterfield Boulevard just south of the Morgan Hill Business Park (see attached site map). The negotiated price for the easement is \$21,500.

Upon recordation of the agreement, a permanent well easement will be granted to the City of Morgan Hill for well purposes, including but not limited to access, drilling, installation, constructing, reconstructing, repairing, operating and forever maintaining thereon a well.

FISCAL IMPACT: The total project cost for this acquisition is \$21,500. This project is funded under FY 04-05 Capital Improvement Program (CIP) Budget, Project #601093. These costs were anticipated in our most recent water rate analysis as perchlorate related costs and will be tracked separately with reimbursement pursued from the Olin Corporation.

Agenda Item # 4

Prepared By:

Senior Civil Engineer

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

SECOND QUARTER REPORT ON 2004-05 WORKPLAN

RECOMMENDED ACTION:

Accept report.

Agenda Item # 5

Prepared By:

Asst. to the City Mgr.

Submitted By:

City Manager

EXECUTIVE SUMMARY:

Attached is the Second Quarter report on the Fiscal Year 2004-05 workplan. Each year, in conjunction with the development of the City budget, departments and divisions develop workplans to document special projects that are beyond regular and routine responsibilities. Several high-priority projects identified by the Council are included in the workplan, as are major construction projects such as the Indoor Recreation Center, the Library, and other important capital improvement program projects.

When developing the workplan, departments and divisions identify major tasks associated with particular projects and estimate the time required for completion of each task. The black lines on the report correspond with the *expected* timeline, or baseline, for completing particular tasks. The colored bars above the baseline indicate when the tasks were *actually* started and completed. If the bar is in blue, it means that staff expect the task to be completed on the originally scheduled timeline. If the bar is green, the task is expected to be completed ahead of schedule. Red bars mean the task is expected to be completed later than originally planned, and yellow bars mean that the task is on hold.

This report shows the status of all workplan projects as of December 31, 2004. At that date, 54% of the 2004-05 workplan projects were expected to be completed ahead of schedule or on time. Forty-two percent of the projects were expected to be late, and 4% were on hold.

Staff will continue to report quarterly on workplan status for the rest of the fiscal year.

FISCAL IMPACT:

No budget adjustment required.



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

AMENDED RESOLUTION AUTHORIZING THE SANTA CLARA COUNTY DEPARTMENT OF AGRICULTURE AND RESOURCE MANAGEMENT TO ABATE WEEDS

RECOMMENDED ACTIONS:

1. **Adopt Amended Resolution** authorizing the Santa Clara County Department of Agriculture and Resource Management to Abate Weeds.

EXECUTIVE SUMMARY: On January 19, 2005 the Council held a public hearing on the 2005 Hazardous Vegetation Management Program. Residents on Lake View Drive expressed concern that their property was on the Program, and wanted to be sure that adjacent properties with weed problems were included on the Program.

Santa Clara County Hazardous Vegetation Program staff met with the residents on January 20, 2005 at their property. The staff determined that 17360 Lake View Drive (APN 729-35-025) did not need to be on the 2005 Program. The parcel was added to the program in 2003 under a different owner. There are no problems with hazardous vegetation on this parcel at this time.

County staff also confirmed that hazardous weeds and brush do exist on the adjacent properties referred to by neighbors. These properties were already on the 2005 Hazardous Vegetation Program.

Staff requests that the Council adopt the attached Resolution, which amends Resolution 5877 to remove 17360 Lake View Drive (APN 729-35-025) from the 2005 Hazardous Vegetation Program. The revised property listing is provided as Attachment A.

Also, Agricultural Commissioner Greg Van Wassenhove and Hazardous Vegetation Program Coordinator Debbie Craver verified that their office received Mr. Ealey's letter on December 22, 2004. Unfortunately, their staff failed to recognize the need for a response. They have apologized to the Ealeys and have taken steps to minimize this from occurring in the future.

FISCAL IMPACT: The Hazardous Vegetation Management Program is user fee supported. The per-lot assessment includes the actual costs for controlling vegetation plus the overhead cost to provide the service.

Agenda Item # 6

Prepared By:

Asst. to the City
Manager

Submitted By:

City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL INSTRUCTING THE SANTA CLARA COUNTY DEPARTMENT OF AGRICULTURE AND RESOURCE MANAGEMENT TO ABATE NUISANCES ARISING OUT OF HAZARDOUS VEGETATION GROWING UPON LOTS OR IN FRONT OF PROPERTY IN THE CITY OF MORGAN HILL AS REQUIRED BY ORDINANCE NO. 222, N.S.

WHEREAS, pursuant to Ordinance No. 222, N.S., the City Council hereto adopted Resolution No. 5875 declaring hazardous vegetation growing in the City of Morgan Hill to constitute a public nuisance; and

WHEREAS, a Public Hearing was held pursuant to Resolution No. 5875 and said Ordinance No. 222, N.S. in that time and manner required by law; and

WHEREAS, the City Council adopted Resolution No. 5877 on January 19, 2005, instructing the Santa Clara County Department of Agriculture and Resource Management to abate nuisances arising out of hazardous vegetation growing upon lots or in front of property in the City of Morgan Hill as required by ordinance no. 222, N.S.; and

WHEREAS, the Santa Clara County Department of Agriculture and Resource Management has determined that APN 729-35-025 should not be on the 2005 Hazardous Vegetation Program.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Santa Clara County Department of Agriculture and Resource Management shall use the attached, revised list of properties for the 2005 Hazardous Vegetation Program.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 2nd Day of February, 2005 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

☞ CERTIFICATION ☞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on February 2, 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE				
761	DIANA	AV 726-02-007	TSAI YOUNG H AND SO M ET AL	5405 ALTON PY STE-5A#209	IRVINE	CA	92619
		726-02-016	JUNG HUNG WEN	18225 GREGORY PL	MONTE SERENO	CA	95030
	DIANA	AV 726-04-006	MILLER ROBERT J TRUSTEE	6445 VIA VENADO	SAN LUIS OBISPO	CA	93401-8018
	DAKOTA	DR 726-09-024	DUNNE MICHAEL F AND JONNA M	2068 LINCOLN AV	SAN JOSE	CA	95125-3539
55	E 4TH	ST 726-13-034	LEE KE LING	10125 SCENIC BL	CUPERTINO	CA	95014-2724
	E 4TH	ST 726-13-042	GLENROCK BUILDERS INC	PO BOX 910	MORGAN HILL	CA	95038-0910
17520	MONTEREY	RD 726-14-049	RICHTER GAYLE H TRUSTEE & ET AL	P. O. BOX 784	MORGAN HILL	CA	95038
		726-22-051	Prosperity Investments	14900 Vinter Court	Saratoga	CA	95070
	E MAIN	AV 726-23-016	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
	E CENTRAL	AV 726-24-001	Pritpal Singh	17735 McLaughlin Ave	Morgan Hill	CA	95037
17610	MONTEREY	RD 726-24-006	South County Community Builders	9015 Murray Ave, ste. 100	Gilroy	CA	95020
17745		RD 726-24-007	JONES JERRY W	18 Porto Cielo Court	Rancho Mirage	CA	92270-3220
	MC LAUGHLIN	AV 726-24-010	HERNANDEZ FAUSTINO R AND	17745 MC LAUGHLIN AV	MORGAN HILL	CA	95037-3610
17860	MONTEREY	RD 726-24-019	ZAMORA FRANK I AND DIANA	17810 MONTEREY RD	MORGAN HILL	CA	95037-3651
	MONTEREY RD	726-24-020	Morgan Hill Historical Society Inc.	P.O. Box 1258	Morgan Hill	Ca	95038-1258
95		726-24-023	JONES MARIE A	18 Porto Cielo Court	Rancho Mirage	CA	92270-3220
	E CENTRAL	AV 726-24-024	JONES JERRY W AND MARIE A	18 PortoCielo Court	Rancho Mirage	CA	92270-3220
		726-25-007	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
		726-25-008	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
		726-25-009	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
		726-25-010	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	ROSEVILLE	CA	95747
		726-25-066	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY	CA	94941
		726-25-067	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY	CA	94941
		726-25-068	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY	CA	94941

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN	CITY/STATE		
	726-25-069	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-070	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-071	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-072	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-073	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-076	Madrone Investments Lic	16060 Caputo Drive #160	Morgan Hill CA 95037
	726-25-077	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-078	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-25-079	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
	726-26-004	HU CHIN H AND MEI C TRUSTEE	7169 GLENVIEW DR	SAN JOSE CA 95120-0000
JARVIS	DR 726-30-013	ABBOTT LABORATORIES	275 N FIELD DR	LAKE FOREST IL 60045
	726-31-025	DELUCCHI ASSOCIATES	3798 WOODSIDE RD UNIT Q	WOODSIDE CA 94062
	726-31-038	KALMAN ALAN D AND FREJA G	6337 PANCHO CT	SAN JOSE CA 95123-4865
JARVIS	DR 726-32-021	ALTERA CORPORATION	101 INOVATION DR	SAN JOSE CA 95134
675	JARVIS	MORGAN HILL DEVELOPMENT	600 MILLER AV	MILL VALLEY CA 94941
895	COCHRANE	IN-N-OUT BURGERS	13502 HAMBURGER LN	BALDWIN PARK CA 91706
18650	ADAMS	BEITPOLOUS YOUAV AND MARIAM	1035 MT. SHADOW RD	SAN JOSE CA 95120
	COCHRANE	BABSON MARY T TRUSTEE	707 CHRISTINE DR	PALO ALTO CA 94303-4443
440	COCHRANE	THOITS BROS INC	629 EMERSON ST	PALO ALTO CA 94301
480	COCHRANE	THOITS BROS INC	629 EMERSON ST	PALO ALTO CA 94301
19095	ROSE	MOSQUEDA EVANGELINE ET AL	101 TOYON AV	SOUTH SAN CA 94080-4542
	ROSE	MAGINCALDA LEROY J ET AL	PO BOX 161	LOS BANOS CA 93635-0161
	PEEBLES	murray, scott	720 san marcos court	Morgan Hill CA 95037
1165	TAYLOR	KALEND WALTER E	2933 ARGUELLO DR	BURLINGAME CA 94010-5801

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE		
19240	MONTEREY	RD 726-41-018	PANWALA SAN K ET AL	19240 MONTEREY RD	MORGAN HILL CA 95037-2704
19220	TAYLOR	AV 726-41-046	O'BRIEN DENNIS AND GLORIA A	2001 WINWARD WY STE 200	SAN MATEO CA 94404
19230	TAYLOR	AV 726-41-047	O'BRIEN DENNIS AND GLORIA A	2001 WINWARD WY STE 200	SAN MATEO CA 94404
19260	TAYLOR	AV 726-41-057	DePrice Properties LLC.	P.O. Box 1767	Morgan Hill CA 95038
19250	TAYLOR	AV 726-41-058	Ronald Guthrie / Eugene Woerner	19071 Clayton Drive	Morgan Hill CA 95037
19240	TAYLOR	AV 726-41-059	C&M PROPERTIES, LLC	P.O.BOX 1767	MORGAN HILL CA 95038
19210	TAYLOR	AV 726-41-060	O'BRIEN DENNIS AND GLORIA A	2001 WINWARD WY STE 200	SAN MATEO CA 94404
19255	CLAYTON	AV 726-41-061	O'BRIEN DENNIS AND GLORIA A	2001 WINWARD WY STE 200	SAN MATEO CA 94404
19235	CLAYTON	AV 726-41-062	O'BRIEN DENNIS AND GLORIA A	2001 WINWARD WY STE 200	SAN MATEO CA 94404
19215	CLAYTON	AV 726-41-063	O'BRIEN DENNIS AND GLORIA A	2001 WINWARD WY STE 200	SAN MATEO CA 94404
17025	LAUREL	RD 726-43-004	SIMONSEN DEVELOPMENT INC	1180 G DAY RD	GILROY CA 95020-9308
	DUNNE	AV 726-43-006	KA WASHIMA SEIGE AND ALYCE F	1440 CHURCH AV	GILROY CA 95020-9116
2275 BE	DUNNE	AV 728-02-003	Mr. & Mrs. Randy Lewis Schnapp	P.O. Box 32957	San Jose CA 95132
	HILL	RD 728-10-005	Pan Cal Corporation	4125 Blackford Avenue, Suite	San Jose CA 95112
		728-11-026	GREWAL PRITAM S AND MANJEET K	1150 E WILLIAM ST	SAN JOSE CA 95116
17237	SANDALWOOD	WY 728-11-027	NELSEN KAREN	1575 STERLING OAKS CT	MORGAN HILL CA 95037-9671
		728-17-018	APRICOT LAND INCORPORATED	1216 VIA HUERTA	LOS ALTOS CA 94024-7112
17045	CONDIT	RD 728-17-019	HORIZON LAND INCORPORATED	1216 VIA HUERTA	LOS ALTOS CA 94024-7112
17025	CONDIT	RD 728-17-021	GOLDEN ARCH LP, A DELAWARE LP	6830 VIA DEL ORO UNIT 101	SAN JOSE CA 95119
1140	COCHRANE	RD 728-31-005	ALBERTI DAVID M AND MAXINE R	1140 COCHRANE RD	MORGAN HILL CA 95037-9354
	COCHRANE	RD 728-31-006	HIGASHI EIICHI ET AL	2671 SENTER RD	SAN JOSE CA 95111-1124
1040	COCHRANE	RD 728-31-009	HORTON JACK E TRUSTEE & ET AL	26030 ALTAMONT RD	LOS ALTOS HILLS CA 94022-4317
	COCHRANE	RD 728-31-011	CHEW HELEN AND LAWRENCE	72 ENCINO RD	ATHERTON CA 94027-2212
18590	ST LOUISE	DR 728-31-013	SAINT LOUISE REGIONAL HOSP	26000 ALTAMONT RD	LOS ALTOS HILLS CA 94022

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE		
	COCHRANE	RD 728-34-004	RYAN NANCY R TRUSTEE & ET AL	RT. 2, BOX 2681	ALTON MO 65606-9636
2475	MAGNOLIA	WY 728-41-018	LA ROCHELLE ROBERT H AND MARY	2475 MAGNOLIA WY	MORGAN HILL CA 95037-0000
		728-42-017	COYOTE RANCH LP	275 SARATOGA AV UNIT 105	SANTA CLARA CA 95050-6664
19025	MALAGUERRA	728-45-008	Philip A Alberti	215 Mott Ave	Santa Cruz CA 95062
1805	SILVERWINGS	CT 728-45-021	OGRADY DARYL AND JEANNE	1805 SILVERWINGS CT	MORGAN HILL CA 95037-9002
		728-45-024	IVIE DONALD AND SHARON	2040 DIANA AV	MORGAN HILL CA 95037-9641
19025	MALAGUERRA	AV 728-45-043	ALBERTI PHILIP A TRUSTEE	215 MOTT AV	SANTA CRUZ CA 95062
17055	OAK LEAF	DR 729-05-017	SACHARA EUGENE F AND BETTY J	1160 THIRD ST	GILROY CA 95020-5304
16535	RUSTLING	CT 729-08-008	CLEETON STEPHEN V AND	308 DRAKE CT	BENICIA CA 94510-1521
16665	OAK VIEW	CL 729-10-031	Hien Ho and Karlee Ho	16665 Oak View Circle	Morgan Hill CA 95037
16595	OAK VIEW	CL 729-11-003	MENDIZABAL ALBERT AND BETTE C	13578 MARMONT WY	SAN JOSE CA 95127-3734
16460	CIRCLE	LN 729-11-010	Mr. and Mrs. Keith S. Yi	16460 Circle Lane	Morgan Hill CA 95037-6711
3320	OAKWOOD	CT 729-15-019	WAGSTER JAMES A AND CYNTHIA D	15730 FOOTHILL AV	MORGAN HILL CA 95037-9512
	OAK CANYON	DR 729-17-008	GILSDORF DAREECE ET AL	16345 OAK CANYON DR	MORGAN HILL CA 95037-6813
16335	JACKSON	DR 729-18-015	MARIN THERESA J TRUSTEE	1005 SUMMERVIEW DR	SAN JOSE CA 95132-2951
16325	JACKSON	DR 729-18-016	ADORNO FRANK III AND STEPHANIE	4898 WELLINGTON DR	SAN JOSE CA 95136
16450	JACKSON	DR 729-18-030	HIGHTON KEITH	16450 JACKSON OAKS DR	MORGAN HILL CA 95037-6902
3490	OAK HILL	CT 729-20-003	JACKSON OAKS ASSN	PO BOX 518	MORGAN HILL CA 95038-0518
15970	JACKSON	DR 729-21-012	CHHIAP VISOTH AND LEWIS	15970 JACKSON OAKS DR	MORGAN HILL CA 95037-6824
3735	LIVE OAK	CT 729-22-022	LEE KYUNG SOOK	902 BREA LN	SAN JOSE CA 95138-0000
3765	RIDGEVIEW	CT 729-24-023	GRAVES MARA I AND ERNEST P	3765 RIDGEVIEW CT	MORGAN HILL CA 95037-6820
15940	JACKSON	DR 729-24-037	WORKMAN DENNIS L AND PATRICIA	15940 JACKSON OAKS DR	MORGAN HILL CA 95037-6824
15950	JACKSON	DR 729-24-038	BUSLIK STEFFEN F	358 BLUFIELD DR	SAN JOSE CA 95136
17065	COPPER HILL	DR 729-30-005	PARSONS ERIC K AND CATHRYN J	17065 COPPER HILL DR	MORGAN HILL CA 95037-6502

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE	
17071	COPPER HILL	DR 729-30-006	Zane	2375 Olea Ct Gilroy CA 95020-8411
17201	QUAIL	CT 729-33-028	JACOBSEN BONNIE J AND IAN C	17201 QUAIL CT MORGAN HILL CA 95037-6419
17205	QUAIL	CT 729-33-029	GUERRERO JUAN C AND SHELLY D	17205 QUAIL CT MORGAN HILL CA 95037-6419
17215	QUAIL	CT 729-33-031	WARDEN SAMUEL W AND KELLY C	17215 QUAIL CT MORGAN HILL CA 95037-6419
17290	LAKE VIEW	DR 729-34-010	STAHARA JACQUELINE M AND	10432 NOEL AV CUPERTINO CA 95014-1249
17230	LAKE VIEW	DR 729-34-015	BARBER RICAHRD G AND MARY V	17230 LAKE VIEW DR MORGAN HILL CA 95037-6425
3410	BLUE GRASS	CT 729-34-028	DROBILISCH SANDOR AND LINDSAY	3410 BLUE GRASS CT MORGAN HILL CA 95037-6417
3425	LAVA ROCK	CT 729-35-027	CHIPMAN DAVID H AND JANE C	3425 LAVA ROCK CT MORGAN HILL CA 95037-6411
3420	LAVA ROCK	CT 729-35-030	SZCZEPANIAK JON C AND CAROL A	3420 LAVA ROCK CT MORGAN HILL CA 95037-6427
17401	LAKE VIEW	DR 729-35-033	JOHNSON WILLIAM G AND EVELYN F	17401 LAKE VIEW DR MORGAN HILL CA 95037-6410
17451	HOLIDAY	DR 729-38-028	SMITH WARREN J AND DIANA L	17451 HOLIDAY DR MORGAN HILL CA 95037-6512
17484	LAKE VIEW	DR 729-41-015	HOANG TON T AND NGO DENISE M	17484 LAKE VIEW DR MORGAN HILL CA 95037-6409
17480	LAKE VIEW	DR 729-41-016	KNOFLER PAUL J AND JEWEL A	17480 LAKE VIEW DR MORGAN HILL CA 95037-6409
17470	LAKE VIEW	DR 729-41-018	PRESSER LINDA G	17470 LAKE VIEW DR MORGAN HILL CA 95037-6409
17450	LAKE VIEW	DR 729-41-020	LEWIS DANIEL R TRUSTEE	17450 LAKE VIEW DR MORGAN HILL CA 95037-6409
17441	LAKE VIEW	DR 729-41-027	GALETTO JAMES W AND MARY E	17441 LAKE VIEW DR MORGAN HILL CA 95037-6410
17461	LAKE VIEW	DR 729-41-029	BOULGER QUIN AND LISA	17461 LAKE VIEW DR MORGAN HILL CA 95037-6410
17481	LAKE VIEW	DR 729-41-032	CHU APRIL H TRUSTEE	17481 LAKE VIEW DR MORGAN HILL CA 95037-6410
18040	WOODLAND	AV 764-02-001	YNEGAS RAY AND BETTY J	18040 WOODLAND AV MORGAN HILL CA 95037-9143
2155	ROLLING	DR 764-02-007	WALKER DONALD W AND SHERIDAN	2155 ROLLING HILLS DR MORGAN HILL CA 95037-9437
2185	ROLLING	DR 764-02-008	STRICKLAND WILLIAM J AND JANICE	2185 ROLLING HILLS DR MORGAN HILL CA 95037-9438
2215	ROLLING	DR 764-02-009	CARTER DANIEL R AND NORVILLE L	2215 ROLLING HILLS DR MORGAN HILL CA 95037-9438
2110	ROCKY RIDGE	RD 764-03-010	LEISCH STEVEN O AND MONICA E	2110 ROCKY RIDGE RD MORGAN HILL CA 95037-9441
	BLACK OAK	CT 764-03-017	TULLY LOUIS J AND SUSAN S	7151 VIA ROMERA SAN JOSE CA 95139-1158

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE		
2105	ROCKY RIDGE	RD 764-03-024	MAYELIAN HARRY AND MABEL	27519 ALTA KNOLL DR	CA 91350-1900
2140	ROLLING	DR 764-03-027	SMITH BEN H AND VAL J	23651 CAMINO HERMOSO RD	CA 94024-6409
18025	WOODLAND	AV 764-03-030	HUYNH MINH AND BICHCAU	14934 JEANETTE LN	CA 95127-2533
	MONTEREY	RD 764-09-013	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	CA 95747
		764-09-032	GLENROCK BUILDERS INC	P.O. BOX 910	CA 95038
		764-10-003	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	CA 95747
18105	MONTEREY	RD 764-11-003	VIOLA SAVERIO L TRUSTEE & ET AL	17760 MONTEREY RD STE C	CA 95037
17975	MONTEREY	RD 764-12-004	NORTHWIND PROPERTIES LTD	1654 THE ALAMEDA UNIT 100	CA 95126
95	WRIGHT	AV 764-12-018	SOUTH COUNTY HOUSING	9015 MURRAY AV STE 100	CA 95020
	DEL MONTE	AV 764-12-019	SOUTH COUNTY HOUSING	9015 MURRAY AV STE 100	CA 95020
18025	MONTEREY	RD 764-12-025	GIOVANNI DEVELOPMENT CO LLC	5694 MISSION CNTR RD UNIT	CA 92108
175	LINDO	LN 764-14-051	BETTENCOURT MANUEL AND ANA M	2600 BRIDLE PATH DR	CA 95020
18550	HALE	AV 764-23-011	PETTIT RICHARD G AND ROSA M	P O BOX 23876	CA 95153
18570	HALE	AV 764-23-013	LEMONS GILBERT AND HELEN	18570 HALE AV	CA 95037-3008
295	BERKSHIRE	DR 764-23-057	SINGH T K AND PARMINDER	305 HAZELTON CT	CA 95037-3522
325	BERKSHIRE	DR 764-23-058	SINGH T K AND PARMINDER	305 HAZELTON CT	CA 95037-3522
320	BERKSHIRE	DR 764-23-059	SINGH T K AND PARMINDER	305 HAZELTON CT	CA 95037-3522
310	BERKSHIRE	DR 764-23-060	SINGH T K AND PARMINDER	305 HAZELTON CT	CA 95037-3522
120	CAMPOLI	DR 764-24-010	E & H THIRD FAM LP	21009 SEVEN SPRINGS PY	CA 95014-0000
115	SANCHEZ	DR 764-24-024	CORONA MANUEL R AND SOCCARRO	695 W DUNNE AV	CA 95037-4856
	HALE	AV 764-25-006	ADAMS PHILLIP AND VICTORIA M	2542 TARTAN DR	CA 95051-1219
	(LAND ONLY)	764-28-007	DAVIDSON CHARLES W AND ANITA	255 W JULIAN ST STE 200	CA 95110-2406
835	LLAGAS	RD 764-29-032	BAKER MATTHEW J TRUSTEE	2331 MONTPELIER DR STE A	CA 95116
18390	CASTLE RIDGE	DR 764-30-035	WATSON DONALD A AND TERI S	18390 CASTLE RIDGE DR	CA 95037-9458

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE		
18430	CASTLE RIDGE DR	764-30-036	ALJANDALI EHAB S	18430 CASTLE RIDGE DR	MORGAN HILL CA 95037-9449
	HALE	AV 764-32-017	HUNT JONATHAN O ET AL	PO BOX 8101	PORTOLA VALLEY CA 94028
610 B	LLAGAS	RD 764-32-023	ENTEZARMAHDI SEYED ALI	610 B LLAGAS RD	MORGAN HILL CA 95037-3400
18200	CHRISTEPH	DR 764-32-025	TANSY MICHAEL K	1121 TRABING RD	WATSONVILLE CA 95076
17995	RIL	CT 764-32-052	KYLES RUTH M ET AL	PO BOX 864	MORGAN HILL CA 95038-0864
435	WRIGHT	AV 764-35-019	DELISLE DENNIS P AND SHARON F	435 WRIGHT AV	MORGAN HILL CA 95037-4131
	TRUMPP	CT 764-35-055	TRUMPP WALTER C ET AL	1540 INDUSTRIAL AV	SAN JOSE CA 95112-2714
17781	TRUMPP	CT 764-35-057	TRUMPP ARMAND H AND DIANE L	17781 TRUMPP CT	MORGAN HILL CA 95037-4030
	TRUMPP	CT 764-35-058	TRUMPP ARMAND H AND DIANE L	17781 TRUMPP CT	MORGAN HILL CA 95037-4030
	TRUMPP	CT 764-35-059	TRUMPP WALTER C	1540 INDUSTRIAL AV	SAN JOSE CA 95112-2714
	TRUMPP	CT 764-35-060	TRUMPP WALTER C	1540 INDUSTRIAL AV	SAN JOSE CA 95112-2714
585	BONNIE VIEW	CT 764-42-010	willilam r. jenkins & elizabeth d.	po box 2214	Los Gatos CA 95031
18605	CASTLE HILL	DR 764-43-001	Marc Beauchemin	18605 Castle Hill Drive	Morgan Hill CA 95037
18665	CASTLE HILL	DR 764-43-002	IZQUIERDO PASCUAL	18665 CASTLE HILL DR	MORGAN HILL CA 95037-9171
18450	CASTLE HILL	DR 764-45-006	LIRA RAYMOND AND CUCA P	18450 CASTLE HILL DR	MORGAN HILL CA 95037-9449
18510	CASTLE HILL	DR 764-45-010	LEE CARL AND LINNIE	18510 CASTLE HILL DR	MORGAN HILL CA 95037-9452
18610	CASTLE HILL	DR 764-45-020	WUEST WALTER A AND HELGA	18610 CASTLE HILL DR	MORGAN HILL CA 95037-9170
18550	CASTLE HILL	DR 764-45-022	WESTBROOK H HOWARD AND	18550 CASTLE HILL DR	MORGAN HILL CA 95037-9169
18530	CASTLE HILL	DR 764-45-023	CHADBAND J C TRUSTEE & ET AL	18530 CASTLE HILL DR	MORGAN HILL CA 95037-9169
18330	CRYSTAL	DR 764-45-029	POIRIER MARC E AND ANN E	18330 CRYSTAL DR	MORGAN HILL CA 95037-9450
321	OAK GROVE	CT 764-48-025	MICHAEL LONNIE I AND CECELIA N	321 OAK GROVE CT	MORGAN HILL CA 95037-4222
311	OAK GROVE	CT 764-48-026	WANG GEORGE S C AND ANN C	311 OAK GROVE CT	MORGAN HILL CA 95037-4222
301	OAK GROVE	CT 764-48-027	BLONDIN MICHAEL S AND	301 OAK GROVE CT	MORGAN HILL CA 95037-4222
291	OAK GROVE	CT 764-48-028	DOAN DAO M AND TRAN TIFFY K	291 OAK GROVE CT	MORGAN HILL CA 95037-4221

2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL

Situs	APN	CITY/STATE		
19251	DOUGHERTY AV 764-55-006	PARK JAMES Y AND ESTHER H	19251 DOUGHERTY AV	MORGAN HILL CA 95037-0000
19271	DOUGHERTY AV 764-55-007	HERNANDEZ ROBERTO AND NORA R	19271 DOUGHERTY AV	MORGAN HILL CA 95037-0000
200	BASIL AV 764-55-008	CISNEROS MORGAN AND NANCY	200 BASIL AV	MORGAN HILL CA 95037-0000
18005	STONEY WY 764-56-001	patricia and jesse dela pena	18005 stoney creek way	Morgan Hill CA 95037
18015	STONEY WY 764-56-002	MARY SUSAN MAPS & KENNETH H.	18015 STONEY CREEK WAY	MORGAN HILL CA 95037
18025	STONEY WY 764-56-003	LLAGAS HALE INVRS LLC	18025 STONEY CREEK WY	MORGAN HILL CA 95037-0000
18035	STONEY WY 764-56-004	HOUDA GRAOI AND MUSTAPHA	18035 STONEY CREEK WAY	MORGAN HILL CA 95037
17960	RIL CT 764-56-005	LLAGAS HALE INVRS LLC	17960 RIL MARIANNA CT	MORGAN HILL CA 95037-0000
17950	RIL CT 764-56-006	LLAGAS HALE INVRS LLC	17950 RIL MARIANNA CT	MORGAN HILL CA 95037-0000
	764-56-014	LLAGAS HALE INVRS LLC	275 SARATOGA AV	SANTA CLARA CA 95050
	764-56-015	LLAGAS HALE INVRS LLC	275 SARATOGA AV	SANTA CLARA CA 95050
	AV 767-01-049	PASQUINELLI LOUIS TRUSTEE	PO BOX 910	MORGAN HILL CA 95038-0910
	767-04-009	PG&E LAND SERVICES OFFICE Attn:	111 ALMADEN BLVD RM 814	SAN JOSE CA 95115-005
	767-05-001	PG&E LAND SERVICES OFFICE Attn:	111 ALMADEN BLVD RM 814	SAN JOSE CA 95115-005
	AV 767-06-001	HOSSEINPOUR AKBAR AND MEHRY	4309 ROSCOMMON WY	DUBLIN CA 94568
195	NOB HILL TR 767-06-016	WALTON GARY AND JEAN	PO BOX 1265	MORGAN HILL CA 95038
	NOB HILL TR 767-06-024	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-025	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-026	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-027	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-028	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-029	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-030	STEVE AND NANCY MCVAY	960 STONEHURST CIRCLE	CAMPBELL CA 95008
	NOB HILL TR 767-06-031	Steve and Nancy McVay	960 Stonehurst Circle	Campbell CA 95008

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE	
17335	DEL MONTE	AV 767-06-033	STELIK MICHAEL J ET AL	17335 DEL MONTE AV MORGAN HILL CA 95037-0000
17205	MONTEREY	RD 767-08-006	DAVIS VIOLET E TRUSTEE	17205 MONTEREY RD MORGAN HILL CA 95037-3639
17105	MONTEREY	RD 767-08-017	RICHTER GAYLE H TRUSTEE & ET AL	P. O. BOX 784 MORGAN HILL CA 95038
85	W 5TH	ST 767-08-047	THOMPSON LLOYD AND DOROTHY	85 W 5TH ST MORGAN HILL CA 95037-4509
		767-09-029	VILLA CIOLINO ASSOCS, LTD	9015 MURRAY AV STE 100 GILROY CA 95020
16835	MONTEREY	RD 767-10-002	SHROPSHIRE MARIA T	16835 MONTEREY RD MORGAN HILL CA 95037-5118
16825	MONTEREY	RD 767-10-003	DAVIS PAUL H	155 SANTA CLARA AV GILROY CA 95020-9285
16625	DEL MONTE	AV 767-16-013	FARIS JOSEPH E	16615 DEL MONTE AV MORGAN HILL CA 95037-5002
16615	DEL MONTE	AV 767-16-014	FARIS JOSEPH E	16615 DEL MONTE AV MORGAN HILL CA 95037-5002
16595	MONTEREY	RD 767-17-046	MORGAN HILL MED CTR LLC	2641 CARDINAL LN SAN JOSE CA 95125-4810
	COSMO	AV 767-17-047	PEPPER LANE-COSMO LLC	15729 LOS GATOS BL #200 LOS GATOS CA 95032-2539
	MONTEREY	RD 767-18-046	ALCINI PARTNERSHIP	1518 PADRES DR SAN JOSE CA 95125
15335	MONTEREY	RD 767-23-016	WU TZWU-CHWAN AND MEI-TSU K	1599 POPPY WY CUPERTINO CA 95014-5306
15195	LA ROCCA	CT 767-36-014	Donald W. Miller	P.O. Box 553 Saxonburg PA 16056-0553
16180	SUNSET	AV 767-49-012	LUNA DELPHINA	16180 SUNSET AV MORGAN HILL CA 95037-5308
905	W MAIN	AV 773-06-009	ACTON VIRGINIA TRUSTEE	P.O. BOX 575 MORGAN HILL CA 95038
16855	DE WITT	AV 773-08-013	WONG HARRY TRUSTEE	904 RAMONA ST PALO ALTO CA 94301-2736
1205	W DUNNE	AV 773-09-020	RICH ROBERT A AND GYSELLA M	1205 W DUNNE AV MORGAN HILL CA 95037-4719
17991	DEER RUN (LAND ONLY)	CT 773-18-016 779-04-066	PFEIFER ROLAND D AND JOAN M NMHCS c/o Oakwood Country School	17991 DEER RUN CT MORGAN HILL CA 95037-9446
14500	SHADOWLANE	CT 779-35-024	MOONEY DAVID AND MARLENE	105 John Wilson Way Morgan Hill CA 95037
1180	EASY	ST 779-40-001	YANG YINING AND SUN DONGMEI	14500 SHADOWLANE CT MORGAN HILL CA 95037-6221
1170	EASY	ST 779-40-002	PALMER DAVID A AND ANNMARIE	1180 EASY ST MORGAN HILL CA 95037-6219
1160	EASY	ST 779-40-003	LITTLE THOMAS M AND DEBORAH	1170 EASY ST MORGAN HILL CA 95037-6219
				1160 EASY ST MORGAN HILL CA 95037-6219

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE		
1150	EASY	ST 779-40-004	KAMMERMEYER JOHN A AND JANET	1150 EASY ST	CA 95037-6219
	SAN PEDRO	AV 817-01-001	ETPH LP	P O BOX 567	CA 95031
16770	MONTEREY	RD 817-01-005	HUNG LEE ET AL	1947 WILSON CT	CA 94040-4056
16780	MONTEREY	RD 817-01-006	HUNG LEE ET AL	1947 WILSON CT	CA 94040-4056
	MYRTLE	AV 817-01-053	DANEL ELIZABETH	PO BOX 728	CA 94920
		817-01-054	DANEL ELIZABETH	PO BOX 728	CA 94920
	CHURCH	ST 817-01-056	FARIS JOSEPH E	15005 CONCORD CL	CA 95037-5448
	RAILROAD	AV 817-01-058	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD	CA 95747
16855	CHURCH	ST 817-01-061	Schuyler, Paul	1518 Padres Dive	CA 95125
16820	MONTEREY	RD 817-01-062	ALCINI PARTNERSHIP INC	1518 PADRES DR	CA 95125-1862
16830	MONTEREY	RD 817-01-063	ALCINI PARTNERSHIP	1518 PADRES DR	CA 95125-1862
	CHURCH	ST 817-01-064	ALCINI PARTNERSHIP	1518 PADRES DR	CA 95125-1862
16685	CHURCH	ST 817-02-001	TRUONG HO DAI AND NGUYET LE	10787 PORTER LN	CA 95127
	SAN PEDRO	AV 817-02-025	ZANARDI GEORGE E AND BETTY L	18668 MEADOWLARK CT	CA 95946-9655
16495	VINEYARD	BL 817-02-043	Michael T. Mangano	333 Santana Row APT 307	CA 95128-2009
16470	VINEYARD	BL 817-02-044	Michael T. Mangano	333 Santana Row Apt 307	CA 95128-2009
175	MAST	ST 817-02-047	FARIS JOSEPH E	1359 RIMROCK DR	CA 95120-5608
		817-02-048	FARIS JOSEPH E	1359 RIMROCK DR	CA 95120-5608
	MAST	ST 817-02-050	ALCINI PARTNERSHIP	1518 PADRES DR	CA 95125-1862
		817-02-055	LABRUCHERIE ARMAND R AND	941 A BERRYESSA RD	CA 95133
		817-02-056	LABRUCHERIE ARMAND R AND	941 A BERRYESSA RD	CA 95133
		817-02-057	LABRUCHERIE ARMAND R AND	941 A BERRYESSA RD	CA 95133
		817-02-060	LABRUCHERIE ARMAND R AND	941 A BERRYESSA RD	CA 95133
		817-02-061	LABRUCHERIE ARMAND R AND	941 A BERRYESSA RD	CA 95133

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN	CITY/STATE		
		LABRUCHERIE ARMAND R AND	941 A BERRYESSA RD	SAN JOSE CA 95133
199	MAST	ST 817-02-062	ARMAND AGRA INC, ET AL	66 GEORGE LN STE 101 CA 94964-1890
16500	CHURCH	ST 817-02-065	CHURCH & MONTEREY RD ASSOCS	9015 MURRAY AV STE 100 CA 95020
16215	CHURCH	ST 817-03-023	TARP ROBERT E	15290 LA ROCCA DR MORGAN HILL CA 95037-5813
	TENNANT	AV 817-04-009	GERA MARKO TRUSTEE	19136 SPRING BROOK LN SARATOGA CA 95070-6241
	TENNANT	AV 817-04-039	GERA MARKO TRUSTEE	19136 SPRING BROOK LN SARATOGA CA 95070-6241
75	TENNANT	AV 817-04-049	GERA MARKO TRUSTEE	19136 SPRING BROOK LN SARATOGA CA 95070-6241
195	TENNANT	AV 817-04-051	VILAFRANCA ANTHONY F AND PAT	10561 HIDDEN MESA PL MONTEREY CA 93940
16075	VINEYARD	BL 817-05-044	BALLARD GLORIA V ET AL	P.O. BOX 1029 MORGAN HILL CA 95038
16250	VINEYARD	BL 817-05-065	HURLBUT PETER S TRUSTEE & ET AL	57 SMOKE TREE LN WOODSIDE CA 94062-3645
240	VINEYARD	CT 817-05-067	BNJN INVESTMENTS LLC	75 CHRISTICH LN CAMPBELL CA 95008
		817-05-069	LOVATO JORGE A JR	375 TENNANT AV MORGAN HILL CA 95037
		817-06-015	UNION PACIFIC RAILROAD	10031 FOOTHILLS BLVD ROSEVILLE CA 95747
	CONCORD	CL 817-06-028	VANNI LAND CO	8535 LARKSPUR LN GILROY CA 95020
800	TENNANT	AV 817-08-030	D DEVI OIL INC	28456 CENTURY ST HAYWARD CA 94545
	JUAN	DR 817-09-036	D & D RANCH	99 ALMADEN BL UNIT 565 SAN JOSE CA 95113-1604
	JUAN	DR 817-09-038	D & D RANCH	99 ALMADEN BL UNIT 565 SAN JOSE CA 95113-1604
	JUAN	DR 817-09-039	SAN JOSE HEALTH CENTER	2085 E HAMILTON AV STE SAN JOSE CA 95125
	JUAN	DR 817-09-041	SAN JOSE HEALTH CENTER	2085 E HAMILTON AV STE SAN JOSE CA 95125
	JUAN	DR 817-09-046	D & D RANCH	99 ALMADEN BL UNIT 565 SAN JOSE CA 95113-1604
715	TENNANT	AV 817-09-051	CHIRI FAMILY LTD PARTNERSHIP	99 ALMADEN BL UNIT 730 SAN JOSE CA 95113-1605
	SAN RAMON	CT 817-10-020	Mr. & Mrs. Mun	715 San Ramon Court Morgan Hill CA 95037
965 A	SAN PEDRO	AV 817-11-001	DUNNE AVENUE VENTURES	10015 DOUGHERTY AV MORGAN HILL CA 95037-9390
		817-11-069	MURPHY RANCH II LP	2 N 2ND ST STE 1250 SAN JOSE CA 95113

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN	CITY/STATE		
16995	RD 817-12-003	ENSCH DONALD TRUSTEE	PO BOX 7152	CA 93006-7152
16275	RD 817-13-024	Nhien Nguyen	9912 Miloann Street	CA 91780-3927
	817-13-033	OW UE C AND PATRICIA P	6588 ASHFIELD CT	CA 95120-4502
16695	RD 817-13-034	ETCHEBARNE RAYMONDE	PO BOX 595	CA 95038-0595
16131	RD 817-13-035	OW UE C AND PATRICIA P	6588 ASHFIELD CT	CA 95120-4502
	RD 817-20-031	SANTA CLARA LAND TITLE CO	1115 COLEMAN AV	CA 95110-0000
	AV 817-20-034	GRANGER-AKIN SUE G TRUSTEE	411 LAURENT ST	CA 95060
16015	DR 817-29-027	MR. & MRS. FRANK F. C HUANG	5647 ALGONQUIN WAY	CA 95138
	817-31-053	MONTAN INC	11625 MONTANA AV UNIT	CA 90049
16290	AV 817-32-054	CLEGHORN BAR ENTPRS II LLC	27370 JULIETTA LN	CA 94022-4326
16175	CT 817-32-055	CLEGHORN BAR ENTPRS LLC	27370 JULIETTA LN	CA 94022-4326
	AV 817-33-003	ODISHO PENOEL ET AL	6623 WHITBOURNE DR	CA 95120-4534
2835	VISTA DEL	CLANCY ELLEN M TRUSTEE	2835 VISTA DEL VALLE	CA 95037-3932
445	BARRETT	MOLINARO ROBERT J AND CAROL E	PO BOX 1048	CA 94566-1048
	AV 817-57-009	CARLOTTO JOHN	22076 LIPPENCOTT CT	CA 96013
	LN 817-57-011	SUTTER COURT DEVELOPMENT	777 N 1ST ST UNIT 5TH FLR	CA 95112
	817-57-019	SUTTER COURT DEVELOPMENT	777 N 1ST ST UNIT 5TH FLR	CA 95112
395	BARRETT	NAPA ASSOCIATES	9548 ESTATES DR	CA 95020
340	SAN PEDRO	MARGHERITA EUGENE AND JO	2303 KIMBERLY CT	CA 95037-0000
620	SAN PEDRO	HIGASHI HENRY T AND HISAKO	620 SAN PEDRO AV	CA 95037-5215
	817-60-057	LAUREL OAKS LLC	15165 SYCAMORE	CA 95037-9619
16400	JUAN	E & H 3RD FAM LP	21009 SEVEN SPRINGS PY	CA 95014
16410	JUAN	E & H 3RD FAM LP	21009 SEVEN SPRINGS	CA 95014
	SAN VICENTE	E & H 3RD FAM LP	21009 SEVEN SPRINGS PY	CA 95014

**2005 HAZARDOUS VEGETATION MANAGEMENT PROGRAM
AMMENDED COMMENCEMENT REPORT
CITY OF MORGAN HILL**

Situs	APN		CITY/STATE		
830	SAN VICENTE	CT 817-60-065	E & H 3RD FAM LP	21009 SEVEN SPRINGS	CUPERTINO CA 95014
840	SAN VICENTE	CT 817-60-066	E & H 3RD FAM LP	21009 SEVEN SPRINGS PY	CUPERTINO CA 95014
850	SAN VICENTE	CT 817-60-067	E & H 3RD FAM LP	21009 SEVEN SPRINGS PY	CUPERTINO CA 95014
16655	NINA	LN 817-60-068	DOAN DAO MINH ET AL	16655 NINA LN	MORGAN HILL CA 95037-5241
16665	NINA	LN 817-60-076	CAFFEY MICHAEL E ET AL	16665 NINA LN	MORGAN HILL CA 95037-5241
2745	TORO VISTA	CT 817-70-005	Misco Inc	PO Box 1493	Campbell CA 95009
2785	TORO VISTA	CT 817-70-007	SHAPERO STEVEN AND MICHELE	1026 LAKEVIEW WY	EMERALD HILLS CA 94062



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 7

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1708, NEW SERIES

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MP-03-04: COCHRANE-BORELLO. (APN 728-34-007)
(DA-04-06: COCHRANE-BORELLO)**

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1708, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On January 19, 2005, the City Council Introduced Ordinance No. 1708, New Series, by the Following Roll Call Vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1708, NEW SERIES

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF MORGAN HILL APPROVING A
DEVELOPMENT AGREEMENT FOR APPLICATION
MP-03-04: COCHRANE-BORELLO. (APN 728-34-007)
(DA-04-06: COCHRANE-BORELLO)**

**THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY
ORDAIN AS FOLLOWS:**

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission, pursuant to Title 18, Chapter 18.78.125 of the Municipal Code and Resolution No 04-037, adopted April 13, 2004, has awarded allotments to a certain project herein after described as follows:

<u>Project</u>	<u>Total Dwelling Units</u>
MP-03-04: Cochrane-Borello	8 units (Fiscal Year 2005-06)
	7 units (Fiscal Year 2006-07)

SECTION 4. References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 6. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.
Final Map.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of January 2005, and was finally adopted at a regular meeting of said Council on the nd Day of February 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1708, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the nd Day of February 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 8

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1709, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE MORGAN HILL MUNICIPAL CODE INCORPORATING CHAPTER 18.17 ESTABLISHING AN R-4 HIGH DENSITY RESIDENTIAL DISTRICT.

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1709, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On January 19, 2005, the City Council Introduced Ordinance No. 1709, New Series, by the Following Roll Call Vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT:

The City Council approved \$90,000 from the Traffic Impact Fee Fund and \$50,000 from the RDA Fund to cover the cost associated with the Downtown Plan Update.

ORDINANCE NO. 1709, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE MORGAN HILL MUNICIPAL CODE INCORPORATING CHAPTER 18.17 ESTABLISHING AN R-4 HIGH DENSITY RESIDENTIAL DISTRICT.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.

SECTION 2. The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. INCORPORATING ZONING TEXT CHANGES BY REFERENCE. There hereby is attached hereto and made a part of this ordinance, a text amendment to the Planning and Land Use Code, Title 18 of the Morgan Hill Municipal Code, entitled "Chapter 18.17, R-4 HIGH DENSITY RESIDENTIAL DISTRICT" as contained in the attached Exhibit "A."

SECTION 4. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of January 2005, and was finally adopted at a regular meeting of said Council on the nd Day of February 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1709, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the nd Day of February 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

Exhibit A

Chapter 18.17

R-4 HIGH-DENSITY RESIDENTIAL DISTRICT

Sections:

- 18.17.010 Purpose of district.**
- 18.17.020 Permitted uses.**
- 18.17.030 Accessory uses.**
- 18.17.040 Conditional uses.**
- 18.17.050 Site development standards.**
- 18.17.060 Additional required conditions.**
- 18.17.070 Trash containers.**

18.17.010 Purpose of district.

The R-4 district is intended to stabilize and protect the residential character of neighborhoods, and to promote a suitable environment for family and adult communities in a higher-density environment than other residential zoning categories would allow.

18.17.020 Permitted uses.

The following uses shall be permitted in the R-4 district:

- A. One single-family detached dwelling per lot of record established prior to July 5, 1990;
- B. Multi-family, duplex or single-family attached dwellings;
- C. Special residential care facilities;
- D. Manufactured homes;
- E. Small and large family day care homes.

18.17.030 Accessory uses.

The following are the accessory uses permitted in the R-4 district:

- A. Signs, complying with the applicable regulations set forth in Chapter 18.76 of this title;
- B. Private garages and parking areas;
- C. Home occupations;
- D. Other accessory uses and accessory buildings customarily appurtenant to a permitted use.

18.17.040 Conditional uses.

The following uses may be conditionally allowed in the R-4 district, subject to issuance of a conditional use permit in accordance with Chapter 18.54 of this title:

- A. Rooming houses and boardinghouses;
- B. Social halls, lodges, fraternal organizations and clubs, and community clubs, except those operated for profit;
- C. Licensed nursing homes and convalescent hospitals;
- D. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public-service type, but not including corporation yards, storage or repair yards, and warehouses;
- E. Hospitals and other medical facilities, provided that such uses are located adjacent to an arterial road, as designated on the General Plan land use map;
- F. Nursery schools;
- G. Parking lots providing that such lots are adjacent to commercial or mixed use zoning districts.

18.17.050 Site development standards.

The following site development standards shall apply in the R-4 district:

- A. Minimum lot area:
 - 1. Six thousand square feet.
 - 2. Six thousand five hundred square feet, corner lots;
- B. Minimum site area per dwelling unit, one thousand one hundred square feet.
- C. Minimum lot width, forty feet;
- D. Minimum lot depth, seventy-five feet;
- E. Maximum building coverage, sixty percent;
- F. Minimum setbacks:
 - 1. Front, fifteen feet,
 - 2. Rear, fifteen feet,
 - 3. Side, five feet;
- G. Maximum height three stories; or 48 ft. with a minimum of 10 ft. of height devoted to a roof element on a three story structure.
- H. Side Street Side Yard. A side yard along the side street lot line of a corner lot shall have a width of not less than fifteen feet or one-half the required depth of the front yard, whichever is greater;
- I. Cul-de-sac lot width, minimum of forty feet as measured along the front property line;

J. All residential development fronting on an arterial street as defined by the general plan, shall provide a minimum front yard setback of thirty feet, or all residential development with rear or side yard areas adjacent to an arterial street shall provide a minimum fence/wall setback of fifteen feet with an average of twenty feet from the face of the curb.

18.17.060 Additional required conditions.

A. Site and architectural approval is required of all dwellings permitted, except a single-family home on a lot less than 10,000 sq. ft., a duplex on one lot or a single unit addition to an existing structure.

B. Site plan and architectural approval are required of all conditional uses.

C. Architectural and site plan approval shall be required of all uses situated on sensitive sites, as defined in Chapter 18.74 of this title.

D. Residential development control system approval is required for all residential development in accordance with Chapter 18.78 of this title.

E. All manufactured homes are subject to site and architectural plan approval by the community development director.

F. No building shall be constructed within eighty feet of a ridgeline, nor within fifty feet of a perennial or intermittent stream. All proposed structures shall be constructed outside of the one-hundred-year floodplain unless such development is consistent with the limitations contained in Chapter 18.42 of this title.

G. Residential dwellings adjacent to the freeway shall provide a minimum setback of sixty feet. Accessory uses and buildings, excluding habitable living space, may be located within the sixty foot setback area.

18.17.070 Trash containers.

Trash receptacles and enclosures as described in Section 18.74.505 shall be required from and after the effective date of the ordinance codified in this section.



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 9

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1711, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON TWO SEPARATE AREAS TOTALING 7.07 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN.

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1711, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On January 19, 2005, the City Council Introduced Ordinance No. 1711, New Series, by the Following Roll Call Vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT:

The City Council approved \$90,000 from the Traffic Impact Fee Fund and \$50,000 from the RDA Fund to cover the cost associated with the Downtown Plan Update.

ORDINANCE NO. 1711, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON TWO SEPARATE AREAS TOTALING 7.07 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.

SECTION 2. The zone change is required to serve the public convenience, necessity, and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. An environmental initial study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A mitigated Negative Declaration will be filed.

SECTION 4. The Zoning Map of the City of Morgan Hill, which is referenced under Title 18, Chapter 18.06 of the Morgan Hill Municipal Code, is hereby amended as shown in the attached Exhibits 5 & 7 and as described as follows:

1. Three parcels totaling 6.51 acres located on the south west quadrant of the intersection of East Main Avenue and Butterfield Boulevard as shown in the attached Exhibit “5” shall be rezoned from Light Industrial ML, to Multi-Family High R-4. (APN 726-15-001, 003 & 073)
2. Three parcels totaling .56 acres located between East First Street and East Second Street, approximately 140 feet east of Monterey Road. These parcels shall be rezoned from Central Commercial Residential CC-R to PUD as shown in the attached Exhibit “7”. (APNs 726-14-025, 026 and 031). Future development of the PUD shall be a mixed use development consisting of a mix of residential and commercial uses. The residential density shall be 25-40 dwelling units per acre. Development of the PUD shall occur in a manner which recognizes its prominent location within the downtown. Prior to any development within the PUD, a precise development plan shall be approved by the City consistent with the provision of Municipal Code Chapter 18.30 PUD Planned Unit Development. Development within this PUD shall occur in a manner which complies with the spirit, guidelines and standards contained with Morgan Hill Downtown Plan as amended.

SECTION 5. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 6. Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of January 2005, and was finally adopted at a regular meeting of said Council on the nd Day of February 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1711, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the nd Day of February 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 10

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1712, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING TEXT AMENDMENTS TO THE MORGAN HILL MUNICIPAL CODE CHAPTER 18.50 OFF-STREET PARKING AND PAVING STANDARDS.

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1712, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On January 19, 2005, the City Council Introduced Ordinance No. 1712, New Series, by the Following Roll Call Vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT:

The City Council approved \$90,000 from the Traffic Impact Fee Fund and \$50,000 from the RDA Fund to cover the cost associated with the Downtown Plan Update.

ORDINANCE NO. 1712, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING TEXT AMENDMENTS TO THE MORGAN HILL MUNICIPAL CODE CHAPTER 18.50 OFF-STREET PARKING AND PAVING STANDARDS.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.

SECTION 2. The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. The City Council hereby approves the following amendments to Chapter 18.50:

A. Section 18.50.025 shall be amended to read as follows:

18.50.025 Parking in CC-R, central commercial residential zone

For lots of record in the CC-R, central commercial-residential zoning district, there shall be no requirement for provision of on-site parking for commercial uses. On-site parking for residential to commercial conversion will be prohibited unless it is provided at the rear of the parcel and can be accessed from Main Avenue or Dept Street.

B. The following statement shall be added to each of the Guest Parking provisions found under section 18.50.020 Number of Spaces—Schedule:

18.50.020 Number of Spaces—Schedule

The provision of guest parking is not required for existing or proposed residential development within the CC-R zoning district.

SECTION 4. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of January 2005, and was finally adopted at a regular meeting of said Council on the nd Day of February 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1712, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the nd Day of February 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 11

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1713, NEW SERIES, AS AMENDED

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM ML, LIGHT INDUSTRIAL TO CO, ADMINISTRATIVE OFFICE FOR ONE PARCEL TOTALING 1.45 ACRES LOCATED AT THE NORTHWEST CORNER OF TENNANT AVENUE AND CAPUTO DRIVE. (APNS 817-29-027)

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1713, New Series, As Amended, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On January 19, 2005, the City Council Introduced Ordinance No. 1713, New Series, As Amended to exclude the Lincoln Building site, by the Following Roll Call Vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1713, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM ML, LIGHT INDUSTRIAL TO CO, ADMINISTRATIVE OFFICE FOR ONE PARCEL TOTALING 1.45 ACRES LOCATED AT THE NORTHWEST CORNER OF TENNANT AVENUE AND CAPUTO DRIVE. (APNS 817-29-027)

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- SECTION 4.** The City Council hereby approves an amendment to the zoning designation from ML, Light Industrial to CO, Administrative Office for one parcel totaling 1.45-acres as shown on the attached zoning plat (Exhibit A).
- SECTION 5.** Future development of the zoning amendment area shall comply with the mitigation measures of the approved mitigated Negative Declaration.
- SECTION 6.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- SECTION 7.** Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced, as amended, at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of January 2005, and was finally adopted, as amended, at a regular meeting of said Council on the ND Day of February 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1713, New Series, adopted as amended by the City Council of the City of Morgan Hill, California at their regular meeting held on the ND Day of February 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
COYOTE VALLEY SOUTH COUNTY STAKEHOLDERS WORKSHOP
MINUTES – JANUARY 12, 2005**

CALL TO ORDER

Mayor Kennedy called the special meeting to order at 4:34 p.m.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Sellers, Tate and Mayor Kennedy
Absent: Council Member Grzan

DECLARATION OF POSTING OF AGENDA

Office Assistant II Lewis certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

PUBLIC COMMENT

None

City Council Action

WORKSHOP:

1. WELCOME AND INTRODUCTIONS

2. STATUS REPORT ON COYOTE VALLEY SPECIFIC PLAN PROCESS

Contract Planner David Bischoff discussed the handouts from the recent Coyote Valley Specific Plan, (CVSP), Task Force meeting; including the Progress Report Draft. Contract Planner Bischoff discussed the separate issues of land uses, schools, parks, jobs and housing. He further stated that the Task Force will recommend this plan to the San Jose City Council on January 25, 2005. The City will then prepare an Environmental Impact Report, (EIR) in March of 2006. The City expects to certify the EIR and approve the plan and implementing ordinances. The EIR and ordinances will be based on the alternate land use plan that San Jose is being asked to endorse on January 25th.

Mayor Kennedy pointed out that the CVSP Task Force would be doing the EIR in conjunction with the plan, and that this is unusual. A major amount of money will be spent, and the CVSP Task Force will want San Jose City Council's "buy in" before they undertake the EIR. The progress report summarizes the plan, and nothing has changed since the last South County Stakeholders meeting. Also discussed were agriculture and open space easements and purchases. Mayor Kennedy announced he had attended

the last CVSP Task Force meeting, and heard that development would support infrastructure costs. School issues were not addressed at that meeting. He then asked CVSP Task Force members for input.

Santa Clara County Supervisor Don Gage, CVSP Task Force Member, explained that some future costs are unknown, and a lot of details were not addressed at the meeting.

Russ Danielson, CVSP Task Force Member, relayed that the developers are not afraid of the costs involved. He mentioned that San Jose Mayor Ron Gonzales offered to get together off-line and have some meetings with Morgan Hill Unified School District personnel.

Mayor Kennedy discussed the feeling of land owners in the greenbelt and that they were being ignored in the process.

3. REVIEW OF MAYOR GONZALES' RESPONSE TO STAKEHOLDERS AUGUST 13, 2004 LETTER

Mayor Kennedy provided the history of the letter sent to Mayor Gonzales on behalf of the South County Stakeholders. The first letter was sent on August 13, 2004, and a follow up letter was sent in December, 2004 stating that the City of Morgan Hill and the South County Stakeholders do not support the Coyote Valley plan. A response from Mayor Gonzales was received on December 21, 2004, however direct responses to specific concerns were not addressed. He announced that City Attorney Helene Leichter sent a letter to San Jose City Attorney Richard Doyle on January 7, 2005. They will meet the week of January 17, 2005 to address South County's concerns and start a legal dialogue.

Contract Planner Bischoff reminded the stakeholders group that the San Jose City Council will be meeting on January 25, 2005, and that the committee may want to make a statement prior to that time.

Morgan Hill Unified School District Superintendent Dr. Carolyn McKennan mentioned that she took several CVSP task force members on a tour of some of our local schools.

4. IDENTIFY FUTURE STEPS FOR SOUTH COUNTY AGENCIES

Mayor Kennedy asked the Stakeholders group for ideas on the next steps.

Supervisor Gage encouraged participants to attend the San Jose City Council meeting on January 25, 2005 and to speak about the inadequate response to our letter, as well as South County's concerns about impacts to neighboring cities. He emphasized that South County should get these comments on the record and show we are concerned that there are no solid plans for mitigation of these issues. Mayor Kennedy asked the group to contact San Jose City Council Members on a one-to-one basis to show our concerns. He recommended that teams or individuals meet with San Jose Council members to express their concerns.

Council Member Greg Sellers stated that the stakeholders group has sent mixed signals, and thinks that there needs to be a more direct approach. He suggested that the group not approach these issues gently, because by doing so San Jose will not take the concerns seriously.

Morgan Hill Board of Education Trustee Peter Mandel expressed his concerns that the CVSP Task Force voted unanimously to accept the report, and that the vote sends mixed signals.

Supervisor Gage explained that the acceptance step is necessary to move toward the EIR, so the mitigations will be identified. He wanted to move the acceptance forward so that South County can have a say. If the Task Force had voted not to move forward, the City of San Jose would still proceed. Supervisor Gage pointed out that there is nothing to sue about right now, and further stated that the City of San Jose did not have to form the CVSP task force, because the project is completely within the city limits and they are not obligated to involve neighboring communities.

Contract Planner Bischoff expressed concern that once San Jose accepts the preferred alternative plan, any major changes will be impossible. At that point San Jose won't turn back and make any significant changes.

Supervisor Gage does not believe that talking to San Jose Council Members will be productive, and assured the group that the County will become involved when the EIR process comes out. He attends the CVSP meetings and brings up the issues of parks and roads continuously. He suggested South County Stakeholders get the message across that Mayor Gonzales' letter is inadequate, and that our concerns are not being addressed.

Council Member Carr would like to see the individual agencies that are represented at the stakeholders meeting partner with the County to have a greater impact.

Council Member Sellers agreed that the County should take the lead and that the stakeholders should piggyback on the County's comments to the EIR.

Gavilan College President, Steve Kinsella explained that Gavilan college will move independent of the CVSP process, and is currently working with San Jose's planning staff.

Action: *It was the consensus of the City Council to: **Direct staff to draft talking points to include:** Responses to recent letters have been inadequate; it will be too late to address South County's concerns once the EIR is created; make it clear that South County is not opposed to development, but objects to the density; work with County on legal issues and perhaps call a meeting with legal counsel after the EIR process has begun. Once Stakeholders agree to talking points, they shall begin to contact specific San Jose council members*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 5:50 pm.

MINUTES RECORDED AND PREPARED BY:

LISA LEWIS, OFFICE ASSISTANT II



CITY COUNCIL STAFF REPORT

MEETING DATE: FEBRUARY 2, 2005

TITLE: MID-YEAR 2004/05 BUDGET ADJUSTMENTS

RECOMMENDED ACTION(S):

Approve proposed mid-year budget adjustments for FY 2004/05

EXECUTIVE SUMMARY:

Staff has reviewed the FY 2004/05 Budget at mid-year. In reviewing expenditure activity for all funds, staff identified certain situations where there is a need for accounting corrections and where expenditures are projected to exceed the existing budget by year-end. To amend the budgets for these projected expenditures, staff recommends that the City Council approve the budget adjustments proposed on Exhibit A. The Exhibit includes the following items:

1. Increase Aquatics revenues by \$215,234 and expenditures by \$215,234. These numbers are similar to projections approved by the City Council on October 27, 2004.
2. Increase appropriations by \$25,000 in Fund 010, City Council activity, for Community Survey Consultant
3. Increase City Attorney appropriations by \$200,000 to cover unanticipated litigation
4. Correctly show \$86,755 in appropriations within the Information Systems budget for the purchase of the new finance system as approved by City Council on May 26, 2004. A transfer from the General Fund to this fund was included in the 2004/05 budget, but this appropriation was not included.
5. Increase appropriation and revenue projection by \$20,000 each for the Employee Assistance Fund due to increased participation in the Employee Computer Loan program

FISCAL IMPACT:

The above changes result from incurrence of necessary costs. The effects on fund balances for these funds are described on the attached Budget Scorecard. The net effect on fund balance for the General Fund will be a reduction of \$225,000.

Agenda Item # 13
Prepared By:
Budget Manager
Approved By:
Finance Director
Submitted By:
City Manager

**Summary of Mid-Year Budget Adjustments – Budget Scorecard
FY 2004/05**

Exhibit A

Item	Account	Account Description	Revenue Increase (Decrease)	Appropriation Increase (Decrease)	Fund Balance Increase (Decrease)	Explanation
1	010.37939	Aquatics, Retail	54,864		54,864	Revised Aquatics plan
1	010.37940	Aquatics, Concessions	107,687		107,687	Revised Aquatics plan
1	010.37941	Aquatics, Swim Lessons	226,877		226,877	Revised Aquatics plan
1	010.37942	Aquatics, Special Events	(331,541)		(331,541)	Revised Aquatics plan
1	010.37943	Aquatics, Daily Admission	38,106		38,106	Revised Aquatics plan
1	010.37944	Aquatics, Season Passes	95,372		95,372	Revised Aquatics plan
1	010.37946	Aquatics, Day Camp	20,869		20,869	Revised Aquatics plan
1	010.37919	Aquatics, Proc Fee	3,000		3,000	
1	010.2120.41XXX	Aquatics Sal & Benefits		203,063	(203,063)	Revised Aquatics plan
1	010.2120.42XXX	Aquatics Supplies & Svs		19,705	(19,705)	Revised Aquatics plan
1	010.2120.43XXX	Aquatics Capital Outlay		(7,534)	7,534	Revised Aquatics plan
2	010.1100.42231	Council, Contract Services		25,000	(25,000)	Community survey consultant
3	010.1500.42231	Attorney, Special Counsel		200,000	(200,000)	Unanticipated litigation
	General Fund Subtotal		215,234	440,234	(225,000)	
3	730.2520.43845	IS Fund, Software		86,755	(86,755)	Correction to finance software appropriation
4	240.27718	Loan Proceeds	20,000		20,000	Increased computer loan participation
4	240.2610.42605	Computer Loan Program		20,000	(20,000)	Increased computer loan participation
	All Fund Total		\$235,234	\$546,989	(\$315,871)	



**CITY COUNCIL & REDEVELOPMENT
AGENCY STAFF REPORT**

MEETING DATE: February 2, 2005

Agenda Item # 14

Prepared By:

Finance Director

Submitted By:

**City Manager/
Executive Director**

**IMPROVEMENT AGREEMENTS & SUBDIVISION
IMPROVEMENT AGREEMENTS INSURANCE
REQUIREMENTS**

RECOMMENDED ACTIONS:

- 1) As the Redevelopment Agency Board, grant to South County Community Builders, for the Viale project, an amount, not to exceed \$21,000, necessary to reimburse South County Community Builders for the incremental cost of purchasing a liability insurance endorsement that would extend coverage for "completed operations" or "your work" to the City of Morgan Hill as an additional insured, so that South County Community Builders may meet the requirements of its subdivision improvement agreement with the City.
- 2) As the City Council, amend the improvement and subdivision improvement agreements insurance policy as described in the staff report.

EXECUTIVE SUMMARY: On September 1, 2004, the City Council approved a subdivision improvement agreement with South County Community Builders for the Viale project. Since that time, staff has been in discussions with this developer regarding the insurance necessary for the developer to protect the City from potential liability related to the off-site improvements associated with this project. On January 19, 2005, the City Council directed staff to revise the City's policy concerning insurance requirements for improvement and subdivision improvement agreements to provide for an "exception to the extension of completed operations coverage to the City where the City partners with a non-profit, low income housing organization on a project."

Therefore, staff proposes the following language for this policy revision:

The requirement for an extension of a "completed operations" or "your work" liability insurance endorsement by a developer to the City, as an additional insured, in conjunction with an improvement agreement or a subdivision improvement agreement, may be met by payment of the incremental premium by the City or Redevelopment Agency, through a loan or grant, where the City partners with a non-profit, low income housing organization on a project, subject to payment authorization by the City Council or Agency Board. The City or Agency would not pay for required completed operations and ongoing operations insurance coverage for the developer and would not pay for the required extension of continuing operations coverage to the City as an additional insured.

In addition, staff is organizing a meeting with all local developers to obtain their input on all current and proposed insurance requirements for these agreements.

FISCAL IMPACT: The maximum \$21,000 cost of a grant to South County Community Builders for the Viale project could be paid from the current Redevelopment Agency Housing budget (Account 327-86440-7100).

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR CITY COUNCIL
AND SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES – JANUARY 19, 2005**

CALL TO ORDER

Mayor/Chairman Kennedy called the special meeting to order at 6:01 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Grzan, Tate and Mayor/Chairman Kennedy
Late: Council/Agency Member Sellers (arrived at 6:20 p.m. and joined the Council/Agency Board in closed session)

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

City Attorney/Agency Council Leichter announced the below listed closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)
Number of Potential Cases: 2

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Case Name: City of Morgan Hill v. VBN Corporation and ABSG Consulting, Inc.
Court/Case Number: Santa Clara County Superior Court, Case Number 1-03-CV-008266.

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Authority: Pursuant to Government Code 54956.9(a)
Case Name: City of Morgan Hill v. Tanya J. Keppler
Case Number: Santa Clara County Superior Court, Case No. 1-04-CV-016682

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 6:03 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 7:05 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that no reportable action was taken in closed session.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Police Chief Cumming led the Pledge of Allegiance.

PRESENTATIONS

Director of Human Resources Fisher introduced employees receiving the following Peak Performance Awards for 2004: Challenge Award - Kevin Higgins; Innovation Award - Steve Pendleton; Professional Growth Award - Karen Nelson; Teamwork Award - Aquatics Center Opening: Serjio Jauragi, Theresa Magno, Shelly Yowell, Aaron Himelson and Julie Spier; and Employee of the Year - Patti Yinger

Police Chief Cumming introduced the newest additions to the Police Department: Elizabeth Reese, Jamie Pereira, Kyle Christensen, Dawnelle Jackson, and Bill Norman.

Police Chief Cumming introduced the new Police Department Centennial Badges, and the officers responsible for the new design, Police Officers Ken Howard and David Ray.

PROCLAMATIONS

Mayor Kennedy presented Ms. Lemberger and Ms. Knopf with a proclamation declaring January 2005 as National Volunteer Blood Donor Month.

CITY COUNCIL REPORT

Mayor Pro Tempore Tate reported on the direction that the Library Joint Powers Authority will be taking in order to fund the operations of the library. He stated that the Library Joint Powers Authority will be supporting a ballot measure(s) to be mailed out at the beginning of April 2005 and due back on May 3, 2005. He indicated that two questions will be asked: 1) Do citizens want to continue to pay the

existing \$33.66 per year assessment to enable the level of service at the library that is in place at this time? He noted that the level of service in place at this time is slightly reduced from what it was a few months ago. He indicated that the library is now closed on Mondays and that there were cutbacks in collection and staffing levels. This level of service would be maintained if citizens pass this measure. 2) Would citizens be willing to pay an increase in assessments in an amount sufficient to return to the level of service the City had prior to closing on Mondays and cutting back on some of the library services? He indicated that the Library Joint Powers Authority believes that it can get the support needed and encouraged citizens to participate in the vote. He requested that he be contacted by anyone willing to work toward this campaign.

CITY COUNCIL SUBCOMMITTEE REPORTS

None.

CITY MANAGER REPORT

City Manager Tewes indicated that he did not have a report to present this evening.

CITY ATTORNEY REPORT

City Attorney Leichter announced that the United States Supreme Court granted the request to dismiss the Hacienda Valley Mobile Estates lawsuit that was pending before it due to a settlement between the City and the Hacienda park owners. She stated that there are no other Mobile Home Rent Control cases listed on the City's dockets.

OTHER REPORTS

None.

PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to public comments for items not appearing on this evening's agenda.

Georgina Pelz, resident of Coyote Estates, informed the Council that she was in attendance with several of her neighbors. She submitted signatures and e-mails from individuals unable to attend this evening's Council meeting. She stated that the residents in attendance were representing the communities surrounding the Boys Ranch located on Malaguerra Avenue. She stated that residents are concerned about the number of escapes, low security, and the offenses of the juveniles being detained at the Boys Ranch facility. She said that the rape of a 10-year old girl in San Jose by a 16-year old known gang member who escaped from the Wright Rehabilitation Center in south San Jose has prompted residents to take a closer look into the many escapes that have occurred at the Rehabilitation Center. She said that the Santa Clara County Probation's website states that 139 boys escaped from the William F. and Harold Holden Boys Ranches during Fiscal Year 2003. She felt that there have been too many times that she

and other residents have encountered escapees on their properties, in community parks and in creek areas utilized for walks, hikes and playtime with children. She did not understand why residents are being told by County and City agencies that they are not at risk when the boys escape, and that the gang members who escaped on January 12, 2005 were not a threat to the community. She noted that the sheriff's department, multiple police cars, a police dog, an ambulance and fire engine were dispatched to assist with the escape situation. When residents call in escapes, they are told by these same agencies that they are aware of the situation and advise residents not to worry as the escapees will be picked up. She informed the Council that citizens believe that they are at risk as some of the detainees are dangerous. Residents see that there is low security at a facility that houses gang members and sexual offenders and that there are many families residing close to the facility who consider this to be dangerous. She requested that the Council agendaize this item for formal discussion as residents believe that it is too easy for the detainees to escape and hurt residents. Residents want security increased and the sex offenders/dangerous youth offenders housed elsewhere. She indicated that residents want to know what is going on so that they can secure their homes and children. She said that residents are looking for support from the City so that this issue can be addressed with the proper County officials.

Christine Nguyen, Mission Ranch resident and mother of two, informed the Council that she was confronted by an escapee from the Boys Ranch in December 2004. She felt that it was unsafe for her children to play in their backyard. She requested that the Council and Mayor pay special attention to residents' concerns as the area is developing further and that families with children will be moving to the area. She indicated that residents feel threatened by escapees and expressed concern that they may turn violent or turn into a hostage situation. She requested that the Council address these issues and further requested that additional information be released/provided about the Boys Ranches in the area.

Joy Zako, Mission Ranch resident, expressed concern about the security issues associated with the Boys Ranch. She stated that it was unacceptable to restrain children from playing beyond their parent's sight in a nice neighborhood. She requested the City look into this matter and see if there is any way that additional security can be added.

Jenny Vo, Mission Ranch resident, expressed concern with security at the Boys Ranch. She indicated that residents were not informed as to what was taking place when there was a search for an escapee in December 2004. She informed the Council that she and her husband sent several e-mails to staff at the Boys Ranch as well as the Probation Office and that they went unanswered. She finally e-mailed Board of Supervisor Don Gage's office and received a response. She requested that the City look into the lack of communication from the different agencies regarding this issue as residents are directly impacted.

Susan Cervantes indicated that she faced a situation where an escapee was being pursued by other juveniles of the Boys Ranch through her street to help apprehend the young boy. The Police Department returned her phone call who advised that a juvenile escaped. She stated that she does not feel safe. When she contacts the police department or Boys Ranch officials, she is advised that they cannot tell residents what is going on or who have escaped as they are minors. She noted that residents are not asking for names or addresses. However, residents want to be warned and be advised when someone has escaped in order to keep children safe. She requested that Council place this issue on its agenda and take the matter seriously.

Cherie Boulard, Coyote Estate resident, confirmed that residents were advised by a disclaimer that there was a juvenile detention center on Malaguerra. However, residents were unaware of the lack of security in the detention center, the lack of motivation on behalf of law enforcement, and the extent of the types of offenders that are being housed at the Boys Ranch, including the number of escapees that come from the Boys Ranch. She submitted articles from the Mercury News that lists the description of Boys Ranch escapees. She informed the Council that in 1995, the Grand Jury issued a report that states that security is needed at the Boys Ranch, noting that the Probation Department did not agree and felt that the problem was from offenders coming to the Ranch and not attributed to the escapees. The Probation Department's concession was to install a gate so that individuals would not be able to drive into the facility, noting that the gate is never closed. She informed the Council that the residents are requesting that a fence be installed around the Boys Ranch. She indicated that she spoke to Mark Bullard, Assistant District Attorney in charge of the juvenile center as well as Curt Cumley, the Chief Deputy District Attorney in charge of juvenile delinquency. Both advised her that since the 1995 Grand Jury Report, more violent offenders were being housed at the Boys Ranch in Morgan Hill that include murderers, rapists, sex offenders, robbers, car thieves, etc. She said that part of the trend of sending violent offenders to the Boys Ranch is due to the fact that the COAA is not taking as many commitments as they used to and more of these violent offenders are being sent to the Boys Ranch. She is hoping that the Council would give the residents time at the next Council meeting to address these issues.

City Manager Tewes said that City government shares the residents' concerns about safety of the neighborhoods. He acknowledged that the Boys Ranches have been in the Morgan Hill community for a while and that from time to time, they tend to cause the type of concerns raised this evening. He said that there have been changes made such as the appointment of a new Chief Probation Officer, the closure of one of the Ranches, and that there is a change in the management at the James Boys Ranch. He said that these are issues that the City's Police Department has been working on. He stated that a commitment has been made by the Chief Probation Officer to meet with the neighborhood. He recommended that the City involve the District Attorney's office in a community meeting, inviting the Chief Probation Officer to meet with the neighbors. Legitimate questions can be answered that residents have about how the facility is operated and what safeguards can be put into place. City officials can hear from residents about their specific concerns at a different forum. Following the community meeting, staff would report back to the City Council. He said that City staff will use all appropriate means to notify residents of the community meeting (e.g., mailed notices, contact homeowners association, etc.). He informed the residents that City staff would forward e-mails and letters to the appropriate county officials so that they have residents' concerns.

Council Member Sellers indicated that Santa Clara County Board of Supervisor Don Gage attended a community meeting held a few weeks ago. He conveyed to Supervisor Gage how concerned he and the Council were about the Boys Ranch situation. Supervisor Gage mentioned that the County wanted a little more time as changes are taking place at the Boys Ranch. He advised Supervisor Gage that the City needs to hear what the changes are and have the opportunity to review the changes. He inquired whether Supervisor Gage could have someone attend the Council meeting. He stated that Supervisor Gage responded that he would make sure that a County official attended the Council meeting. He

requested that staff contact Supervisor Gage's office and help coordinate a community meeting and attendance at a future Council meeting.

No further comments were offered.

City Council Action

CONSENT CALENDAR:

Council Member Grzan requested that item 7 be removed from the Consent Calendar.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** Consent Calendar Items 1-6 and 9-10 as follows:*

1. **SECOND AMENDMENT TO CABLE FRANCHISE AGREEMENT**

Action: **Authorized** the City Manager to Execute the Second Amendment to Cable Television Franchise Agreement.

2. **APPROVE CHANGE ORDER FOR SIGNING AND STRIPING FOR CLASS II BIKEWAYS PROJECT**

Action: 1) **Approved** Change Order in the Amount of \$14,500 for Additional Striping and Removal Along Butterfield Boulevard and Portions of Dunne Avenue to Comply with Class II Bike Lane Requirements; and 2) **Appropriated** \$14,500 from the Current Year Public Facilities 346 Fund (Measure C CIP) Balance to Cover Costs Associated with this Change Order.

3. **ACCEPTANCE OF SIDEWALK IMPROVEMENTS ALONG THE NORTH SIDE OF EDMUNDSON AVENUE FROM COMMUNITY PARK TO MONTEREY ROAD**

Action: 1) **Accepted** as Complete the Sidewalk Addition (Edmundson/Monterey) Project in the Final Amount of \$55,349; and 2) **Directed** the City Clerk to File the Notice of Completion with the County Recorder's Office.

4. **APPROVE WATER METER SOLE SOURCE PURCHASE**

Action: 1) **Approved** Purchase of Water Meters, Meter Parts and MXU's (Radio Transmitters) from Invensys Metering Systems; and 2) **Approved** Purchase Order of \$299,300 to Invensys Metering Systems for the Annual Supply of Water Meters, Meter Parts and MXUs.

5. **SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT FOR JACKSON OAKS BOOSTER STATION**

Action: **Approved** Second Amendment to the Agreement with Freitas Engineering for Design and Construction Services on the Jackson Oaks Booster Station, Increasing the Contract Amount by \$6,000; Subject to Review and Approval of the City Attorney.

6. **AMENDMENT OF BANKING SERVICES AGREEMENT**

Action: **Authorized** the City Manager to Amend the Agreement with South Valley National Bank to Continue Banking Services through December 31, 2005, Subject to Review and Approval by the City Attorney.

8. **ORDINANCE NO. 1705, NEW SERIES**

Action: **Waived** the Reading, and **Adopted** Ordinance No. 1705, New Series, and **Declared** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1680 NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP-02-03: TILTON-GLENROCK (APNS 764-9-06, 16, 17, 32 & 33).**

9. **ORDINANCE NO. 1706, NEW SERIES, AS AMENDED**

Action: **Waived** the Reading, and **Adopted** Ordinance No. 1706, New Series, As Amended, and **Declared** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE ZONING DESIGNATION OF A 4.8-ACRE AREA FROM R2(3,500) AND CG, GENERAL COMMERCIAL TO R3/RESIDENTIAL PLANNED DEVELOPMENT (RPD) AND ADOPTING A PRECISE DEVELOPMENT PLAN FOR A 67-UNIT MULTI-FAMILY PROJECT LOCATED BETWEEN MONTEREY ROAD AND DEL MONTE AVENUE, NORTH OF WRIGHT AVENUE (APNs 764-12-008, -009, -018, & -019)/(ZA-04-18: MONTEREY – SOUTH COUNTY HOUSING).**

10. **ORDINANCE NO. 1707, NEW SERIES**

Action: **Waived** the Reading, and **Adopted** Ordinance No. 1707, New Series, and **Declared** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MP-04-02: MONTEREY – SOUTH COUNTY HOUSING (ROYAL COURT) (APNs 764-12-008, -009, -018, & -019)/(DA-04-07: MONTEREY – SOUTH COUNTY HOUSING).**

7. **CO-HOST REQUEST FOR THE FAR WESTERNS CHAMPIONSHIPS SWIM MEET**

Council Member Grzan indicated that he has been sending e-mails to Recreation and Community Services Manager Spier regarding this event. He requested clarification in terms of the scope of the swim meet, days, dollars, funding for the event, how the Aquatic Foundation is involved, etc.

Recreation and Community Services Manager informed the Council that John Rick, President of the Morgan Hill Swim Club, the renter of the facility for this event, was in attendance and could answer Council questions.

John Rick indicated that the Far Westerns Championship Swim Meet will be a 4-day event, and would host approximately 1,300 swimmers. He said that 130 teams will be participating from Canada, Oregon, Nevada, Utah, Idaho, Arizona, California and New Mexico, including the participation of 20-30 future Olympians. This event is expected to book a minimum of 1,200-1,800 hotel nights. He stated that he has coordinated hotel stays with the hotels located along Condit Road to help support this event. He informed the Council that the Morgan Hill Swim Club will be the renter of the event who won the award under a competitive bid process through USA Swimming. He stated that there is no involvement with the Morgan Hill Foundation at this time. He said that the event is expected to generate a substantial amount of profits for the City as well as allow the team to host the meet and cover all its costs. He indicated that the proceeds will be a revenue split of approximately 75/85% net to the City and 20/25% net to the Morgan Hill Swim Club. He stated that there will be the ability to sell swimwear, equipment and concessions and that the City will keep its profits from these sales.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council unanimously (5-0) **Directed** Staff to Co-Host the Far Westerns Championships Swim Meet as Outlined in the Report.*

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Mayor Pro Tempore/Vice Chairman Tate and seconded by Council/Agency Member Sellers, the City Council/Agency Board unanimously (5-0) **Approved** Consent Calendar Items 11-15 as follows:*

11. DEPOT STREET CAPITAL GRANT ACCEPTANCE – Resolution No. 5876

Action: *1) **Adopted** Resolution No. 5876, Accepting the Metropolitan Transportation Commission's Transportation for Liveable Communities Capital Grant to Improve Depot Street; and 2) **Appropriated** \$341,314 from Fund 317's Balance to Provide the Grant's Required Match.*

12. LOAN FOR THE ISAACSON GRANARY

Action: ***Approved** Request from Charles Weston and Lesley Miles to Convert Amortized Payments to Interest-Only Payments for a Five Month Period Beginning in January 2005 Thru May 2005.*

13. ADDITIONAL LOAN FOR OFF-SITE IMPROVEMENTS FOR DAY WORKER CENTER PROJECT

Action: ***Authorized** the Executive Director to Prepare and Execute all the Necessary and Appropriate Legal Documents, Subject to Agency Counsel Review, Needed to Provide an Additional \$15,000 Loan to Charles Weston and Lesley Miles to Construct the Offsite Improvements Related to the Day Worker Center Project.*

14. JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 15, 2004

Action: Approved the Minutes as Written.

15. JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 15, 2004

Action: Approved the Minutes as Written.

Redevelopment Agency Action

CONSENT CALENDAR:

Action: On a motion by Vice-chairman Tate and seconded by Agency Member Sellers, the Agency Board unanimously (5-0) Approved Consent Calendar Item 16 as follows:

16. ANNUAL STATE REDEVELOPMENT REPORTS FOR FISCAL YEAR 2003-2004

Action: Filed the 2003-2004 Redevelopment Agency's Annual Report of Financial Transactions, Housing Annual Report of Housing Activity, and Property Report.

City Council Action

CONSENT CALENDAR:

Action: On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0), Approved Consent Calendar Item 17 as follows:

17. FUNDS FOR THE SAFE ROUTES TO SCHOOL GRANT PROJECT (CENTRAL-MONTEREY PEDESTRIAN IMPROVEMENTS)

Action: Appropriated \$47,000 in Funds from Unappropriated Traffic Impact Fee Fund Balance to Cover the City's 20% Funding Contribution for this Project.

Council Member Carr noted that the Council just approved item 17, Funds for the Safe Routes to School Grant Program. He noted that for the past couple of years, staff have been applying for these grants and that the City has been unsuccessful in attaining these grants. However, this year, City staff, in coordination with the School District, decided to focus on improving pedestrian access to Britton Middle School and was successful in receiving this grant. He noted that the City will pay 20% of the cost and that 80% of the funds will come from this grant. He felt that Monterey Road and Central Avenue areas were in desperate need of improved pedestrian access. He congratulated City staff on attaining the grant funding for this project.

Council Member Sellers requested that item 17 be reconsidered as he would be abstaining from the action item as he resides within 500 feet of the proposed improvements.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council unanimously (5-0) **Agreed** to reconsider agenda item 17.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council, on a 4-0-1 vote with Council Member Sellers abstaining, **Appropriated** \$47,000 in Funds from Unappropriated Traffic Impact Fee Fund Balance to Cover the City's 20% Funding Contribution for this Project.*

City Council Action

PUBLIC HEARINGS:

18. RESOLUTION AUTHORIZING THE SANTA CLARA COUNTY DEPARTMENT OF AGRICULTURE AND RESOURCE MANAGEMENT TO ABATE WEEDS – Resolution No. 5877

Assistant to the City Manager Dile presented the staff report, indicating that staff from the Santa Clara County's Agricultural Commissioners Office has identified properties that may be at risk for fire in the coming year and have requested that these parcels be part of the 2005-Hazardous Vegetation Program. She recommended that the Council adopted a resolution, authorizing Santa Clara County to implement the 2005-program. She informed the Council that Greg Van Wassenhove, Agricultural Commissioner and Inspector Dave Bruni were in attendance to answer questions the Council may have.

Mayor Kennedy opened the public hearing.

Paul Ealey indicated that he received a letter dated December 1, 2004 stating that he has to clear weeds and debris from his yard or that it would be cleared for him. He stated that he moved to the property approximately a year ago and that he was well aware of the problems associated with fires that can be attributed to fallen trees and brush. He indicated that his property is pristine and that he has spent over \$20,000 on property improvements over a one-year period. He had his property surveyed and had it marked clearly from the street. He stated that you can see that there is no debris or weeds on his property. He indicated that he lives on lot 275 and that he has a neighbor who resides on lot 276. However, behind these two lots, there is a lot that has standing trees that are dead, several falling large trees and heavy brush that are a fire danger. He committed to maintaining his property. He requested that the individuals making site visits perform an accurate check before sending these types of letters.

Sandra Beckwith, owner of lot 276, indicated that when you drive along Lakeview Drive and you look into the properties, the Ealey's property is long and narrow and that her property is wide. The property behind her is a wedge shaped property that has dead trees and high brush. She clarified that there are two parcels on Lakeview and that the rest belong to the cul de sac and that it is the cul de sac owners who have the problem.

No further comments being offered, the public hearing was closed.

Mayor Pro Tempore Tate noted that once a property gets on this list, it remains on the list for three years even though the property is cleaned of hazardous brush.

Ms. Dile agreed that once a property is listed on the Hazardous Vegetation Program, it remains on the list for three years. She indicated that staff was not aware of the concerns raised this evening. She indicated that the County program administrators have been good about following up with concerns raised to them. When she spoke with Debbie Craver, the program administrator this afternoon, she was not aware of this situation. She stated that she was not prepared to comment on the individual concerns raised this evening, but that she and County staff would be happy to follow up with the concerns expressed this evening.

Mayor Kennedy recommended that Mr. Ealey speak with City and County staff and discuss specific issues during a break.

Mr. Ealey indicated that he followed up with a letter dated December 20, 2004 that provided his address and phone number and requested that a response be provided. He indicated that he has not received a response to his letter to date.

Mayor Kennedy recommended that the Council defer action on this item until after a short break.

City Manager Tewes clarified that there are several hundreds of addresses on the list. He said that homeowners can remain on the list until the three years have expired or remain on the list if the property continues to be a hazard. He said that there are approximately a dozen addresses on Lakeview Drive. Based on the facts that Mr. Ealey presented, it is possible that the prior owners did not maintain a pristine yard and that may be the reason that his property is on the list. Having confirmed the list, the County only goes out and abates weeds when there are weeds to abate. Therefore, there is a follow up inspection for properties placed on the list.

Upon reconvening, Ms. Dile informed the Council that she and County staff met with the property owners. She requested that the Council move forward with the list this evening. She indicated that County staff will be meeting with the property owner(s) to make sure that addresses are correct and that they have all the problem addresses identified. If a property has been placed on the list in error, staff would return with a revised list, in the future, so that the property(ies) can be taken off the list.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 5877, Authorizing the Santa Clara County Department of Agriculture and Resource Management to Abate Weeds.*

19. DEVELOPMENT AGREEMENT, DA-04-06: COCHRANE-BORELLO – *Ordinance No. 1708, New Series*

Planning Manager Rowe presented the staff report, indicating that the Planning Commission, on a 6-0 vote, recommends Council approval of the Development Agreement for a 15-lot subdivision on a 13.66 acre Cochrane Road parcel.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Waived** the Reading in Full of Ordinance No. 1708, New Series, the Development Agreement Ordinance.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council **Introduced** Ordinance No. 1708, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MP-03-04: COCHRANE-BORELLO. (APN 728-34-007) (DA-04-06: COCHRANE-BORELLO),** by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

Mayor Kennedy indicated that he would be recommending that item 21 be considered at this time as he has received a request to continue item 21.

Action: *It was the consensus of City Council to **Consider** item 21 at this time.*

21. GENERAL PLAN AMENDMENT, GPA-04-04/ZONING AMENDMENT, ZA-04-10: MONTEREY ROAD-MORGAN HILL MEDICAL – Resolution Nos. 5881 & 5882

Planning Manager Rowe presented the staff report, indicating that this is a request to change the land use designation on property located on the westerly side of Monterey Road, north of Cosmo Avenue, from Administrative Office to General Commercial. He informed the Council that the applicant has gone through a site and architectural review process and has obtained approval for a building to be located on the site. He indicated that the applicant would like to include retail uses, including a convenience market on the property. He stated that the Planning Commission considered the request on December 14, 2004 and that a 3-3 vote was taken, a non action vote with respect to a recommendation to the Council. He said that three commissioners concurred with staff's position that a change to retail commercial would be inconsistent with the general plan, specifically goal 9 and policies 9b and 9c. He stated that policy 9b stipulates viability of the downtown and other recognized shopping areas and discourages isolated and sprawling commercial activities along a major road. Policy 9c encourages retail sales at major intersections as a focus of clustered commercial development. He said that the City's previous general plan included policies such that the area in question should be limited to non retail commercial uses primarily as a traffic impact mitigation as the modeling indicated that the capacity of Monterey Road through general plan build out, between Dunne and Tennant, would be exceeded. He said that the general plan policies looked at ways to minimize congestion by placing lower traffic generating uses in this area and that an administrative office designation was identified as appropriate for this purpose. With the 2001 general plan, the policies were shifted toward concentrating retail at major nodes of intersections versus having strip commercial along major thoroughfares. He said that the current general plan continues what was a previous general plan limitation of non retail use on the property in question. He informed the Council that three planning commissioners felt that there was some merit in allowing

retail uses such as a convenience store on the site, noting that South County Housing was developing across the street and the existing Village Avente project is located to the west. These planning commissioners felt that the residential areas could benefit by the convenience of having some retail within walking distance. Given that the Planning Commission took a non action vote on the application, it is recommended that the Council not approve the amendments. Should the Council wish to approve the general plan and zoning amendments, he informed the Council that staff has resolutions available for its consideration this evening.

Mayor Kennedy said that it was his understanding that there are periods of time when the City can consider general plan amendments. He inquired whether the applicant would miss a window of opportunity for consideration should the application be continued.

Planning Manager Rowe stated that should the Council wish to continue this item and any other general plan amendment applications this evening, they be continued to the same meeting date. He informed the Council that tonight's hearing is a general plan floating date, noting that the Council, by policy, limits general plan hearings to two regular scheduled dates of April and October and a third floating date. He said that staff used the floating date primarily for the Downtown Plan to get changes in affect as quickly as possible in order to allow projects in the downtown to compete and develop.

Mayor Kennedy indicated that the applicant informed him during the break that they would be requesting their application be continued.

Mayor Kennedy opened the public hearing.

Mike Achkar, representing the Morgan Hill Medical Center, requested that this item be continued as the staff report contained a few errors and that time was needed to address the errors. He informed the Council that the land was purchased in 1999 and that he has been working diligently with staff in getting the project approved. Morgan Hill Medical Center would like to make this a nice looking building as this area is considered a gateway to the City and the downtown. He indicated that they have been actively trying to lease the building for approximately two years without success. He felt that possible tenants are doctors, noting that most doctors like to locate adjacent to hospitals. He said that almost all commercial buildings in Morgan Hill have vacancies and that there is approximately a 40% vacancy factor. He understands that staff is not supporting the project based on Goal 9 of the General Plan. He did not believe that the proposed amendment would be against Goal 9 because there is retail to the north and south of the property and that the post office is located across the street. Therefore, he does not believe that a change in land use to retail commercial would isolate the site. He informed the Council that they paid for the preparation of a comprehensive traffic study by Keith Higgins and Associates. He stated that the traffic study showed that there is no impact to the City attributed to this project or to the downtown by increasing traffic. He said that he had the opportunity to speak with many of the neighbors adjacent to the project site and that it was indicated that there was a need for a neighborhood shopping center. He noted that many of the adjacent residents do not have forms of transportation and could benefit from retail commercial in the area. He stated that he has been able to negotiate with specialty grocery stores such as Whole Foods and Trader Joes who have been reluctant to come to Morgan Hill in the past due to the numbers. However, they seem to be receptive to locating in Morgan Hill and that they

would like to be in a class A building and would attract neighbors to it with high visibility. He requested that the Council consider their project and that this item be continued to allow them time to correct the errors contained in the staff report.

City Manager Tewes noted that the letter requesting a continuance states that there were errors contained in the staff report and suggests that the report does not portray the material facts. He said that it would be helpful to have the errors identified prior to the grant of a continuance. If staff misstated something, staff would like to have them identified. If it is felt that information was left out that argues for the project, staff would like to know that as well.

Mr. Achker said that the first error was that the Planning Commission recommended denial of the project. He noted that a resolution was prepared to deny the project. There was also an agenda prepared that recommends denial of the project. He felt that these items were working against the project and that he would like to regroup. Therefore, a continuation of the hearing is being requested.

In response to Council Member Grzan's question, Planning Manager Rowe indicated that Little Llagas Creek runs behind the property.

Council Member Grzan indicated that one of the Council's goals from last week's retreat was to look at ways of having projects integrated with creeks and streams. He would like to see how new projects would integrate with Little Llagas Creek. He would not support the installation of a nine foot wall to block the creek. He felt that the Council should be concerned and take a closer look at proposed development along the creek.

Planning Manager Rowe indicated that the building is positioned toward the front of the parcel and that the parking is sited behind the building with a landscaped area around the perimeter of the parking lot which adjoins the creek area. He stated that no fencing is proposed and that the project is opened along the creek area.

Ralph Lyle informed the Council that the Planning Commission's vote was 3-3, which is not an approval or denial of the application. He noted that this is clearly stated in the staff report.

Mayor Pro Tempore Tate noted that the basis for the request for continuance is for errors contained in the staff report, indicating that he has failed to find any errors in the staff report. Therefore, he did not understand the need for a continuance.

Council Member Sellers said that in a non action vote, it is customary to provide the Council with resolutions for approval and denial of a project to provide the Council with an option to take either action. He noted that staff only provided a resolution of denial.

Planning Manager Rowe informed the Council that staff has a resolution for approval for Council distribution should the Council wish to approve the application. He said that the applicant indicated that they would have appreciated the resolution and ordinance to approve the amendments included in the agenda packet rather than being made available for distribution this evening. He stated that the material

before the Council this evening is the extent of information that could be provided to the Council at this time.

Council Member Carr said that he generally likes to give leeway for requests to continue, but that he did not see reasons to support a continuance. He said that the letter states that there are errors contained within the staff report and that he was not sure what they were. He said that the items raised at the podium do not appear to be errors contained within the staff report.

City Manager Tewes said that it is typically the case that when the Council is faced with these kinds of choices, the Council makes a preliminary determination and directs staff to return with resolutions or ordinances that provide the findings of facts that support the decision made. He indicated that staff cannot anticipate what findings the Council believes will be important to its decision. He stated that what happened this evening was the usual case on how matters are handled.

Mayor Kennedy stated that he would like to give the applicant the opportunity to work with staff to see if they would agree to make changes that would help make the project approvable.

Council Member Tate indicated that he would prefer to proceed with the item this evening.

Planning Manager Rowe said that the bases for recommending denial are based on Policies 9b and 9c in the Community Development Element of the General Plan. Rather than continue a pattern of strip commercial development along a major thoroughfare, the focus for new commercial development is to cluster these developments at the nodes of major intersections. He indicated that the nodes of major intersections include Tennant/Monterey and Dunne/Monterey. He stated that the General Plan was amended to apply a non retail commercial designation to the site and that the current zoning designation is consistent with this. It is staff's belief that to amend the general plan to commercial and allow for retail commercial along the corridor in this area would be inconsistent with the intent of the general plan. However, there are merits that commercial development could benefit/serve the surrounding residential. Staff does not believe that the post office should be considered a retail use. However, he acknowledged that the property to the north has a convenience market and that a commercial center is located south of Cosmo. Therefore, there is a pattern of some existing commercial development. He noted that a mixed use of office and residential is developing in the surrounding area with the Jasmine Square project. He said that prior to the ownership of the parcel, it had a non retail restriction on it for at least 15 years.

Mayor Kennedy said that if left as office commercial, it would be another 10-20 years before the property develops, if ever, and be marketable for office commercial space.

Planning Manager Rowe said that there is currently a lot of industrial land inventory. He said that the Council has expressed concern that decisions are incrementally diminishing the supply of industrial lands because there will be a point in time that there will be a need for industrial zoned lands. He stated that the non retail designation of land inventory is approximately 16-acres city-wide and that there are approximately 200 acres of vacant commercial land inventory standing available. He felt that there is a much greater supply of commercial land than the City has for non retail commercial designation. He did

not know the current amount of vacant office space available but that it was his belief that the vacancy rate of 40% quoted was fairly accurate.

Council Member Grzan stated that he has come to the conclusion that he was not willing to amend the general plan on a lot by lot basis. If there is a reason that this project could meet the general plan goal, he would agree to a continuance. However, without any significant reasons on how this commercial complex could fit the general plan, he was not inclined to approve a general plan amendment. He stated that he would be willing to go along with staff's recommendation and deny the amendment application.

Council Member Sellers felt that some latitude exists. The difference between this request and industrial is that in this case, there is a competing desire to do more along the Monterey corridor. He felt that development should occur in an appropriate way. He said that that business mix is paramount. He said that opportunities are suppressed along Monterey Road, between Dunne and Tennant Avenues. He felt that there was more that the applicant can do to make it a better project that comes closer to meeting the general plan, and yet provides some opportunity for retail. If there was an opportunity to negotiate or to work with staff, he would be inclined to continue the application for a month.

Mayor Kennedy felt that there could be a possibility for a mixed use project at this site as another option. He noted that there is commercial development up to this parcel. He stated that he would like to give the applicant the opportunity to work with staff to see if something can be done.

Action: *Council Member Carr made a motion to close the public hearing. The motion died for the lack of a second.*

City Attorney Leichter informed the Council that it has an adopted policy of closing the public hearing before having Council discussion on public hearing matters.

City Manager Tewes indicated that general plan applications need to be dealt with as a group. He said that it might be an appropriate intent to continue the application, placing this item on hold, pending resolution of item 20 to see if that item gets continued. The Council can then identify the date when all general plan applications will return for Council consideration.

City Attorney Leichter suggested that the Council not continue the application to a date certain but to continue it to a date when other general plan items will be heard, should the Council be inclined to grant the continuance.

Action: *Council Member Sellers made a motion, seconded by Mayor Kennedy, to continue this item to a date when other general plans are to be considered. The Motion failed 2-3 as follows: Ayes: Kennedy, Sellers; Noes: Carr, Grzan and Tate.*

No further comments being offered, Mayor Kennedy closed the public hearing.

Action: *Mayor Pro Tempore Tate made a motion, seconded by Council Member Carr, to Adopt Resolution No. 5881, Denying the General Plan Amendment Request.*

Council Member Sellers said that it is unlikely that doctors would locate along the Monterey corridor. In denying the general plan amendment, the City would be looking at a significant delay in any development potential of the site. He stated that he was not in favor of approving anything that happens to come along Monterey Road in order to have it built out. However, it needs to be understood that by not moving forward, the gaps along this corridor would be a significant hindrance to future development. He felt that there were opportunities for other kinds of development. It may be that the applicant may look at a mixed use development or other opportunities, if unsuccessful this evening. He encouraged the applicant to look at these opportunities. He felt that the current zoning has suppressed growth for a longer period than he was willing to allow.

Mayor Kennedy indicated that that this parcel has been vacant as long as he has been a public servant, 25 years. If it remains in its current general plan designation, it would continue to remain vacant for many years to come. He stated that commercial development along El Camino, in Sunnyvale, has not been a problem, and that he does not see a commercial development of this site as a problem. He noted that the City needs commercial development. If the applicant is willing to build it and a good commercial business is willing to use the space, he felt the City should allow this to occur. Therefore, he would be voting against the motion.

Council Member Carr said that when he served on the General Plan Task Force with Council Member Grzan, they spent a significant amount of time talking about this piece of property, the area surrounding the post office, both sides of Monterey Road, and their importance. He did not believe that just because the site has not developed is a good reason to settle for any use that comes along. He felt that the site has not developed because it is an important site. It may be that the zoning is not correct for the site. However, the City should not jump on a use that is marketable today as more thought should go to the appropriate use of the site. He stated that he reviewed the uses allowed in the zoning district and felt that there were some good uses for this part of town. He said that the responses from the applicant were not satisfactory such that they did not believe that the space was big enough for the approved uses. He was not sure that enough thought has gone into what could develop or the appropriate use for the site. Therefore, he would support the motion to deny the application.

Council Member Grzan concurred with Council Member Carr's comments. He said that there are a number of vacant lots throughout the community. He did not believe that the Council should open a box and allow for this application when it may set a precedent for other areas. He noted that the General Plan was dealt with by a strong group of individuals that took three years to develop. He felt that any changes to the general plan would need to be significant, indicating that he does not see the significance associated with the application.

Charles Weston said that he was one of the Planning Commissioners who voted to deny the application. He noted that it was argued at the planning commission meeting that there needs to be an owner inertia in terms of commercial and residential to get developed. Having commercial in this location seems to be taking away from the desire of the downtown, creating as much commercial as possible elsewhere.

Vote: *The motion carried 3-2 as follows: Ayes: Carr, Grzan, Tate; Noes: Kennedy, Sellers.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council on a 3-2 vote with Council Member Sellers and Mayor Kennedy voting no, **Adopted** Resolution No. 5882, Denying the Zoning Amendment Request.*

20. GENERAL PLAN AMENDMENT, GPA-04-07/ ZONING AMENDMENT, ZA-04-14: CITY OF MORGAN HILL – DOWNTOWN PLAN – Resolution Nos. 5880, 5881 and 5882; Ordinance Nos. 1709, 1710, 1711, & 1712, New Series

Senior Planner Linder presented the staff report, indicating that the City's consultant was in attendance to answer questions relating to the traffic study. She addressed the proposed amendments to the General Plan text/maps, zoning text/map, and the parking ordinance text amendments proposed for the downtown now that the City has addressed the California Environmental Quality Control (CEQA) documents. She informed the Council that the mitigated negative declaration before it this evening finds no significant impacts or impacts that could not be mitigated based on the temporary narrowing or implementation of traffic calming measures. She indicated that the Planning Commission is recommending a general plan and zoning designation for three opportunity sites, including a general plan designation of multi family high with a density of 21-40 dwelling units per acre.

Mayor Kennedy indicated that there has been a suggestion that a portion of the action(s) before the Council this evening be continued. He inquired as to the reason for the continuance.

Ms. Linder indicated that the continuance pertains to the Sunsweet property and that this shows up on two of the City Council's action items this evening: 1) amendment to the zoning map; and 2) the parameters for development of the property. She informed the Council that it can separate these issues or that all items contained within the report could be continued.

Mayor Kennedy recommended that staff complete its presentation before deciding whether to continue portions of the application or the entire application.

Council Member Sellers said that it has been determined that he does not have a conflict with the items before the Council this evening based on his residency adjacency to the downtown. He said that there is a portion that the Council would be approving in an amendment to the northern portion of the downtown that he would like separated so that he can abstain from voting on that area.

Ms. Linder indicated that the Council could separate the two actions that would result in Council Member Sellers' conflict. She informed the Council that the continuance of the Sunsweet property would involve two action items relating to an amendment to the zoning map which would change the zoning designation on the property from CC-R to PUD and the ordinance that would specify the development parameters that would apply to the PUD.

City Attorney Leichter said that should the Council decide to rezone the Sunsweet property to a PUD this evening, the Council could do so and defer the adoption of the development guidelines associated with the PUD designation.

In response to Council Member Grzan's question, Ms. Linder indicated that a downtown parking study is underway. She said that the Parking Management Plan is expected to be completed in June 2005.

Council Member Grzan recommended that the applications be continued until the conclusion of the parking study.

Mayor Kennedy noted that the Council could take action on many of the items before it this evening.

Ms. Linder informed the Council that parking was analyzed as part of the environmental study that looked at the parking in place at this time and whether the parking would meet the needs of the density being proposed. The study acknowledges that the City will be conducting a parking management plan, a plan on how the City would meet the future parking needs as the City builds under the downtown plan. She informed the Council that residential projects will need to provide on site parking. This standard is not being proposed to change. However, as the City builds out with commercial and mixed uses, long term, the downtown plan suggests that the City puts a plan in motion for additional future parking needs. She indicated that this is what the parking study will assess.

Ms. Linder informed the Council that the Planning Commission recommends approval of the proposed general plan and zoning map amendments. The Planning Commission is recommending minor modifications to the guidelines suggested for the Sunsweet property guidelines (e.g., allow for an additional access onto Third Street; elimination of the conditional use of the residential use for Third Street under the PUD). The Planning Commission is also recommending approval of the R-4 zoning text, multi family high zoning standards, and that the building height be increased from 45 feet to 48 feet. She noted that the downtown plan asks that staff research the parking ordinance to see if there are impediments to businesses and/or mixed uses within the ordinance. She informed the Council that staff reviewed the City's parking standards and found that currently, leeway is given to businesses fronting Monterey Road in the CC-R zoning district as it relates to parking requirements. Staff recommends the City extends this courtesy to all commercial areas within the CC-R zoning district and address the required guest parking requirements. These are two areas where the City can eliminate impediments. She informed the Council that the Planning Commission is not recommending amendments at this time as it was their belief that the City should complete the downtown parking management study to determine how the City would meet the parking needs of today and the future. It is further recommended that the Napa site be included in the mixed use and CC-R zoning district. However, there is concern that waiving the parking requirements at this location may not be in the City's best interest as this site is far removed from public parking. The Planning Commission is not recommending that the parking text be changed at this time.

Council Member Sellers noted that the Planning Commission is recommending a driveway and no residential uses along Third Street.

Ms. Linder informed the Council that the Downtown Plan is specific to what can occur with the Third Street Sunsweet site, including where driveway and parking lot access can and cannot occur. The Planning Commission felt that it might be conducive to have a driveway opening along Third Street. She

said that the Downtown Plan suggests residential on bottom floors and extends to the Third Street frontage of the Sunsweet property. The Planning Commission did not believe that residential should be encouraged on the bottom floor of the Sunsweet site.

Mayor Kennedy noted that the City would be losing public parking spaces behind the Granada Theater in the Downtown Mall as it will become private parking associated with a mixed use.

Ms. Linder said that the parking lot behind the Granada Theater could go away. She informed the Council that the parking management plan would look at the City's long term parking needs and the steps to take to provide for future needs.

Council Member Carr noted that it is being suggested that the site at Diana and Butterfield be changed to a mixed use designation. He inquired why this site is seen as a mixed use opportunity site while the Flea Market site is not.

Ms. Linder informed the Council that she followed the recommendations as proposed in the General Plan.

Council Member Sellers said that there is residential on two of the four corners of Main and Butterfield and that the third corner is being utilized as an office use. There was some interest in tying some commercial into the courthouse. He said that he would like to discuss how you would integrate commercial with the courthouse as he would hate to see the City pull away any commercial uses from the downtown. He stated that the General Plan update committee felt that the mixed use would allow for residential across at Dunne Avenue in order to provide some continuity.

Ms. Linder said that there is a suggestion by the Downtown Association to look at higher density overall. The Planning Commission has indicated that they would like to consider this suggestion as well as the limitations of the PUD so that it does not compete with projects that the City would like to have in the downtown. The Planning Commission would also like to revisit the parking issues once the City has the information from the parking management plan. The Planning Commission expressed concern with too much residential and critical mass. They believe that the City should define what type of retail space is needed in the downtown to support residential.

Mayor Kennedy opened the public hearing.

Rocke Garcia deferred his comments to Mr. Hechtman

Barton Hechtman, on behalf of Glenrock Builders, informed the Council that it should have in its packet a request for continuance. He said that this is a multi faceted agenda item and that he is not asking that the entire item be continued. He stated that the continuance request relates to one of the decisions the Council is being asked to make, but that there is an impact to another action item. He said that the ordinance that changes the Sunsweet property from CC-R to PUD sets forth particular guidelines and is the subject of the letter. He did not know how the City can approve the PUD and continue consideration of the guidelines. He stated that the PUD zoning designation does not allow any particular rights or uses.

To change a piece of property to PUD and not identify how the property can develop creates a non use zoning designation. He requested that the Council not change the zoning on the property this evening and allow him and Mr. Garcia to work with staff; returning to the Council with something that makes sense. He said that one of the actions being contemplated by the Council would be impacted by the continuance as it relates to the first resolution relating to the General Plan text amendments as a portion of it refers to the Sunsweet property. The amendment stipulates 35-45 dwelling units per acre as part of a single planned unit development. It was his understanding that the Planning Commission is recommending 25-40 dwelling units per acre. He stated that there is no objection to this density. However, he did not believe that the Council can approve the text amendment relating to residential development as part of a single planned unit development should the Council continue the other ordinance. Should the Council wish to proceed with the approval of the text amendment this evening, he requested that the Council delete the portion of the ordinance that reads “only as part of a single planning unit development.”

City Attorney Leichter indicated that she disagrees that the City cannot have an empty envelop PUD subject to later filling it with guidelines. Regarding the change in the resolution and not being able to adopt the resolution, she stated that Zoning and Planning Law in the Office of Planning and Research Guidelines specifically allows an entity, after a general plan change, a reasonable time to effectuate changes in the zoning to comport to the general plan changes. She said that it is not necessary that they be done at the same time as long as the general plan amendment is done first. She indicated that the Council could adopt the general plan amendments. She understands that Mr. Hechtman is supportive of changing the density. However, she stated that it is not necessary to drop the other portion of the general plan change regarding the PUD.

City Manager Tewes noted that it was stated that Mr. Garcia would like the opportunity to work with City staff and the City Attorney to craft a set of regulations which serves the City’s desire to ensure the appropriate development of the Sunsweet property. Should the Council agree to the request for continuance, he requested that the Council identify what it believes to be the appropriate objectives. He requested that the Council provide staff with policy direction and that staff would try to figure a way to implement it (them).

Ralph Lyle, speaking as a citizen and not a Planning Commissioner, said that the parking in the downtown is one of the two things he hears about from the community. He said that citizens are not willing to walk from lot to lot as there are several lots that are not well connected. In the parking study for the downtown plan, it addressed the fact that the City had backup parking in the community and cultural center parking lot, noting that it is more than ¼ mile away from the downtown. He indicated that the Transit Authority states that once you get beyond ¼ of a mile, individuals are not willing to walk. He felt that a parking problem exists. If you look at the parking behind the Granada Theater, there are 75 parking stalls. This would be reduced to 45 parking spaces with additional uses being constructed. He felt that there would be a substantial impact to downtown parking when the project develops. He noted that the Council is considering investing \$1.3 million into the Granada Theater. He felt that its success will be in jeopardy because of lack of parking. He recommended that Monterey Road remain as two lanes in each direction as he felt that reducing to one lane in each direction, temporarily, would be money down the drain. He said that an observer could look at the densities in the downtown area and

find them to be arbitrary and not good planning. He said that the Planning Commission tried to soften this somewhat. It was felt that opportunity sites would be better suited to other sites versus those identified, particularly with the third opportunity site behind the Granada Theater. He felt that it would make sense to have consistent density and that the Planning Commission took steps in this direction. However, he felt that more steps need to be taken.

Anthony Goularte, owner of Associated Concrete, indicated that there is a viable business operating on the site and that he does not consider it to be a blighted piece of property. He indicated that the current zoning for his site is light industrial and that he has a heavy industrial use. Therefore, he has a non confirming use on this parcel. If the zoning is changed to high density residential, it is his understanding that he can continue to operate as a non confirming use. His long term viability does not exist to continue as a concrete company at this site based on residential development. He stated that he would be willing to work with Mr. Ahlin to develop the area as one piece in the future. He stated that he was neither in favor or opposed to the recommended zoning changes. He stated that his family has been operating at this site since 1958. He would like to know that he has a future in Morgan Hill. He stated that he has identified some properties in Morgan Hill zoned heavy industrial that he is willing to move his business to. For this to happen, he may need some assistance from the City.

Charles Weston, speaking as a citizen and not a planning commissioner, said that when the master plan for the downtown was developed, it was developed prior to the inception and implementation of Measure C. He felt that there was a disconnect in terms of density. He felt that the 8-18 dwelling units per acre is not dense enough and felt that it should be higher. He felt that the Council should approve a PUD designation on the Sunsweet site as this designation allows for creativity. He felt that the Sunsweet site is one of the most important pieces of property in the downtown and would dictate how successful the downtown will become. He did not believe that negotiations were necessary before designating the site as a PUD as there would be a set of negotiable guidelines to follow. He felt that the Sunsweet site should be denser, the height of the buildings higher, and bolder from what is being recommended. He recommended that the residential area continue with commercial constructed below. He said that the Sunsweet site was supposed to be the connection from the railroad tracks to downtown and Monterey Road. He felt that a blanket of high density (40 du/ac) should be approved versus a pocket of densities. He recommended that that when the parking study is completed, the City incorporate several areas of handicapped accessibility throughout the City.

Mr. Hechtman indicated that he limited his remarks to the continuance request, envisioning that the Council would agree to the continuance. Should the Council not be inclined to continue per the request that he be allowed to address the substance of his concerns.

Mayor Pro Tempore Tate recommended continuance of the Sunsweet site PUD discussion. He felt that a PUD makes sense but felt that the Council should have a substantive discussion on the reason behind the PUD. He said that he would like the site to be more flexible in terms of density and identify what the City would like to see happen on Third Street.

City Attorney Leichter said that should the Council be inclined to grant Mr. Hechtman's request for continuance, the continuance would apply to a portion of action item 3 and action item 7.

Council Member Sellers stated that he would support continuing the actions relating to the Sunsweet site with the understanding that the Council would provide staff with specific directions about its intent.

Action: *Council Member Sellers made a motion, seconded by Council Member Tate, to continue the general plan text/zoning amendments as they relate to the Sunsweet property (a portion of GPA-04-07/ZA-04-14: City of Morgan Hill-Downtown Plan). The motion carried unanimously (5-0).*

Mayor Kennedy closed the public hearing on the remaining items.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** the Mitigated Negative Declaration.*

Council Member Sellers said that as a rule, he has not been in favor of higher density. He noted that it is being proposed that there be a range in density associated with a commercial mixed use of 8-18 dwelling units per acre. He inquired as to the density range under the previous zoning.

Ms. Linder informed the Council that the downtown plan recommends that the City's mixed use develops at a density range of 8-18 du/acres. She did not find this density range defined in the general plan for a mixed use. In practice, the City has been approving 8-10 du/acre.

Council Member Sellers felt that there needs to be additional latitude, increasing the density.

Ms. Linder said that staff took its guidance from the recommendations contained within the downtown plan. She informed the Council that the Planning Commission suggested that the City consider higher density. Should the City wish to pursue higher density, the City would need to reevaluate the environmental document.

Planning Manager Rowe said that the density range being proposed as part of the general plan amendment is only for the residential portion of the mixed use. It is proposed to allow ground floor office or retail with 18 du/acre residential units above on the same property with the proposed amendment. He said that there was discussion by the Planning Commission of increasing the density. As a follow up, the Planning Commission has requested that staff return to them with further discussions about the feasibility of increasing residential density in mixed use zoning districts. They would then forward a recommendation to the Council to increase the density. He said that the reason for limiting the residential density to 18 du/ac is because the downtown plan recommends this density range and the environmental assessment was based on this density as being the upper limits with the exception of the opportunity sites. He said further environmental review would be required to increase the density.

Council Member Sellers said that he would like the City to undertake the review of increasing the residential density associated with a mixed use designation.

Ms. Linder informed the Council that Measure C limits the number of building permits that can be issued to a project, but does not limit the residential density.

City Manager Tewes said that Measure C does not establish density regulations. He stated that from time to time the Council decides certain set asides for various types of allocations. He noted the Council established a set aside for vertical mixed use and established a number of units that could compete under this category. He informed the Council that it can change the set asides in the next competition. He said that the underlying regulations for density are contained in the general plan and the zoning text.

Council Member Carr agreed that the mixed use is not dense enough and would like to find a way to increase the density. He understands the limitation of 15 set aside units for mixed use. It was his recollection that there was a carry over to the next year.

Ms. Linder indicated that the Council could increase the set asides to allow for larger projects. However, it would not allow for an increase in density.

Council Member Carr stated that he was not suggesting that the mixed use be made denser than Measure C allows. He recommended that the Council think about this relationship when it thinks about increasing the density from 8-18 du/ac.

City Manager Tewes said that Measure C does not establish the vertical mixed use allocations and that it was the Council that established this allocation through its own procedures and policies adopted by resolution for each competition.

Ralph Lyle said that Measure C defines small vertical mixed use that is limited to a 15-unit project. He stated that the Council has set aside 10 units per year for vertical mixed use development, initially. He noted that there is separate set aside for larger projects, projects greater than 15 units. Therefore, a developer could come in with a vertical mixed use project of a size of 40-60 units and request allocations from the large project set asides.

Council Member Grzan expressed concern with the design. He felt that there was an opportunity for the Council to require that the design be consistent to what is seen in the downtown. He recommended that any development be consistent with the theme of the downtown. He did not want to see a mixture of modern or early architecture being constructed haphazardly, but that the downtown be consistent and cohesive in its theme.

Ms. Linder said that there is a section in the downtown plan that addresses the architectural and development guidelines that would be applied to the downtown. These guidelines are to be incorporated in the process of updating the City's design review ordinance.

Council Member Sellers noted that staff is requesting direction. He said that the downtown plan made clear that Third Street is viable corridor and that its development is vital to the downtown. He said that continuity of commercial through the downtown is important as it connects to the courthouse and the downtown and is a viable contiguous component of the entire downtown plan. He understands that the

economy may not be such that a developer is comfortable with proceeding with development. He felt that there were ways to work together to develop the site. He felt that it was important that staff and the property owner talk about how to provide opportunities to have the commercial core develop. He said that he would like to see the first floor, from Depot all along Third Street, develop as commercial. He felt that there needs to be some discussion about allowing commercial along Depot between Second and Fourth Streets. He felt that high residential is vital and would provide the balance being sought for the downtown. He said that high density in the downtown would be a different model and that looking at what has been done in the past would be hard to apply. He would like to see creativity applied as the downtown develops.

Mayor Pro Tempore Tate said that he was not convinced on the residential portion. However, he felt that latitude should be given in terms of density. He stated that he supports the Planning Commission's recommendation of the 25-40 du/acre recommendation.

Mayor Kennedy agreed that 25-40 du/acre would provide developers latitude to make business decisions and work toward the Council's goal of higher density in the downtown. He felt that staff could work with developers to find ways to maximize the density for the Sunsweet site.

Council Member Carr would concur with applying flexibility. He felt that the City needs to find a way to achieve higher density. He agreed that commercial along the first floor on Third Street from Depot to Monterey should be the goal in order to draw individuals.

Council Member Sellers indicated that he would need to recuse himself from voting on the general plan map and the zoning map relating to the Central Avenue site.

Council Member Carr noted that the Planning Commission talked about a more consistent density of up to 60 dwellings per acre. They further directed staff to devise a plan and implementation procedures for adding at least 50,000 square feet of commercial/retail. He inquired where this recommendation would fit in.

Ms. Linder said that this is not a recommendation to the City Council at this time. She said that it was a suggestion that the Planning Commission go back and revisit these items. The Planning Commission believes that these are additional studies and discussions that need to be undertaken in the future that may include additional environmental review.

Planning Manager Rowe requested that the Council provide policy direction whether it concurs that the Planning Commission should undertake these discussions in the future.

Council Member Carr agreed that it was important to talk about consistency. He supported higher density in the downtown and the addition of commercial square footage.

Action: *On a motion by Mayor Kennedy and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Adopted** Resolution No. 5889, Approving the General Plan Text Amendments.*

- Action:** *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Adopted** Resolution No. 5880, Approving the General Plan Land Use Map Amendments for Two Separate Areas within the Downtown Area, excluding the Central Avenue property.*
- Action:** *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council, on a 4-0-1 vote with Council Member Sellers abstaining, **Adopted** Resolution No. 5882, Approving the General Plan Land Use Map Amendments for One Separate Area within the Downtown Area, approving the Central Avenue site.*
- Action:** *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Waived** the Reading in Full of Ordinance No. 1709, New Series, Incorporating an R-4 Multi-Family High Density Residential District into the Morgan Hill Municipal Code.*
- Action:** *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council **Introduced** Ordinance No. 1709, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE MORGAN HILL MUNICIPAL CODE INCORPORATING CHAPTER 18.17, ESTABLISHING AN R-4 HIGH DENSITY RESIDENTIAL DISTRICT**, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*
- Action:** *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Sellers absent, **Waived** the Reading in Full of Ordinance No. 1710, New Series, Amending the City's Zoning Map that includes the Central Avenue site.*
- Action:** *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council **Introduced** Ordinance No. 1710, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON 11.13 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN AS THE AREA LOCATED BETWEEN THE SOUTH SIDE OF EAST CENTRAL AVENUE AND NORTH OF EAST MAIN AVENUE, BETWEEN MONTEREY ROAD AND THE RAILROAD TRACKS (APN 726-23-001 THROUGH 015)** by the following roll call vote: AYES: Carr, Grzan, Kennedy, Tate; NOES: None; ABSTAIN: None; ABSENT: Sellers.*
- Action:** *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Waived** the Reading in Full of Ordinance No. 1711, New Series, Amending the City's Zoning Map on Three Separate Areas within the Downtown Area, excluding the Central Avenue site.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Carr, the City Council **Introduced** Ordinance No. 1711, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATIONS OF TWO SEPARATE AREAS TOTALING 7.07 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN (EXCLUDING THE CENTRAL AVENUE SITE)** by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Waived** the Reading in Full of Ordinance No. 1712, New Series, Amending Chapter 18.50 of the Morgan Hill Municipal Code, Off-Street Parking and Paving Standards.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council **Introduced** Ordinance No. 1712, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING TEXT AMENDMENTS TO THE MORGAN HILL MUNICIPAL CODE CHAPTER 18.50 OFF-STREET PARKING AND PAVING STANDARDS**, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

22. GENERAL PLAN AMENDMENT, GPA-04-08/ ZONING AMENDMENT, ZA-04-20: TENNANT-HUANG – Resolution No. 5883 and Ordinance No. 1713, New Series

Planning Manager Rowe presented the request to amend the general plan land use designation for two parcels located on the north side of Tennant Avenue, at the intersection of Caputo Drive from Industrial to non retail commercial and to amend the zoning designation from Light Industrial to Administrative Office. He informed the Council that staff and the Planning Commission recommend that the general plan amendment be expanded to include the northeast corner of Tennant and Caputo Drive which has an existing commercial office and warehouse building. He indicated that a letter was received from Marjory Lincoln, the owner of the building at the northeast corner of Tennant and Caputo dated January 7, 2005. Ms. Lincoln is requesting that the industrial designation not be changed as the warehouse portion of the building is being used and that an amendment would render the use non-conforming. He informed the Council that the proposed amendment would result in a non conforming commercial use for a portion of the building. The warehouse use can continue as a legal non conforming use for an indefinite period of time. He clarified that there is a provision in the zoning code that addresses a cessation of a non conforming use for periods of greater than six months. He said that the Council could address the property owner's wishes to retain the current land use designation, but staff does not recommend the service commercial zoning designation as the warehouse portion of the building would be a legal non conforming use. He indicated that the recommended actions before the Council are to approve the negative declaration, adopt a resolution that would amend the land use designation from industrial to non retail commercial, and waive/introduce the ordinance to allow for the change in zoning.

Should the Council approve these action items, the applicant would proceed with plans for a medical/dental office.

Mayor Kennedy opened the public hearing.

Bill Schwerm, representing the Lincoln family, indicated that the Lincoln building was built under a CS zoning designation and that all uses conformed to the zoning. In 2001-02, the City came to the Lincoln family and asked to acquire some of their property to complete the Butterfield Boulevard extension. At that time, the Lincoln family gave up seven parking spaces for the Butterfield Boulevard extension. The Lincolns were assured that the zoning of the property was CS and that the uses were conforming and could continue with uses with the exception that there was not enough parking for professional office. The Lincolns were not aware that the zoning was changed to light industrial as part of the general plan amendments in 2002. They became aware of this change in December 2004. To rezone it again to administrative office would render 1/3 of the property useless. He noted that the property consists of two buildings: approximately 7,000 square feet of warehouse and 12,000 square feet of office space. If rezoned to administrative office, approximately 6,000 of the 7,000 square foot warehouse space could not be used as administrative office space because there is not enough parking on site. He requested that the zoning be light industrial or restored to CS zoning as the property was built for these uses and would match the zoning across the street.

No further comments being offered, the public hearing was closed.

Planning Manager Rowe informed the Council that only the 7,000 square foot warehouse use is conforming. The recommended action before the Council would reverse the situation and would make the warehouse a legal non conforming use but would make the office portion of the building conforming. He said that zoning as service commercial would still make the warehouse use a legal non conforming use. He informed the Council that a use permit was approved that allowed the office and the warehouse relationship and that parking standards were applied to these combined uses.

Mayor Kennedy felt the application could move forward if the last sentence contained in the first paragraph of the summary was eliminated with regard to the northeast property and making the appropriate modifications to the ordinance.

Council Member Sellers said that if the Lincoln property had not been built out, he would be inclined to support the Planning Commission and staff recommendation.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council unanimously (5-0) **Approved** the Mitigated Negative Declaration.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council unanimously (5-0) **Adopted** Resolution No. 5883, the General Plan Amendment Resolution, excluding the Lincoln property.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council unanimously (5-0) **Waived** the Reading in Full of Ordinance No. 1713, New Series.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council **Introduced** Ordinance No. 1713, New Series, by Title Only, as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM ML, LIGHT INDUSTRIAL TO CO, ADMINISTRATIVE OFFICE FOR ONE PARCEL TALLING 1.45 ACRES LOCATED AT THE NORTHWEST CORNER OF TENNANT AVENUE AND CAPUTO DRIVE (APNS 817-29-027), (excluded Lincoln property site), by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.***

City Council and Redevelopment Agency Action

OTHER BUSINESS:

23. COUNCIL REVIEW OF DOWNTOWN TRAFFIC CALMING OPTIONS

Director of Public Works Ashcraft presented the staff report, presenting the traffic calming options. He informed the Council that in general, speeding is not a big problem in the downtown, but that there are places in the downtown where cars travel faster than in other areas. Staff has taken some actions and will be recommending other items to try and curb this behavior. He said that there is a problem with some drivers not stopping for pedestrians at crosswalks. He did not believe that there would be a problem every time you cross streets; however, pedestrians have to watch for traffic as they cross streets. Staff recommends that the City proceed with a list of improvements as listed on page 359 of the staff report to meet the funding limits of \$125,000 [e.g., 1) Dunne/Monterey intersection narrowing; 2) 12' lane reduction striping to 10.5' lanes; 3) high visibility crosswalks at 1st and 3rd streets.; and 4) two mountable and removable speed cushions or installation of trees in median immediately north and south of 4th street. It was staff's belief that the installation of trees would be the better expenditure of funds at this time versus the use of the speed cushions.] He identified alternative traffic calming options and their costs. He indicated that Sorhab Raschid, Fher & Peers who helped prepare the downtown traffic calming plan presented at the Council workshop, was in attendance this evening.

Dan Craig, representing the Morgan Hill Downtown Association, said that an internal workshop held several months ago, the Downtown Association identified priorities of what they believed were the biggest issues in the downtown, with traffic calming being one of the biggest concerns, second to the Granada Theater renovation. He disagrees with the finding that there is not a serious speeding problem in the downtown. He stated that there are members of the Downtown Association that still support one line in each direction. He said that the Downtown Association understands that there is \$125,000 dedicated to traffic calming in the downtown. He said that the Downtown Association is in agreement with staff's recommendations with the exception of the \$75,000 for narrowing the Dunne/Monterey entry point which is a substantial portion of the budget. The Downtown Association does not see how

this item would calm traffic as the problem areas are associated with Main, First and Third Streets. He would like to see this action item set aside to see how this money can be better utilized. The Downtown Association does not support the installation of trees as a traffic calming measure. They would like the use of the two radar speed notification signs. Further, it is being recommended that there be a use of banners over the roadway that would announce community events and be used as a message to slow traffic down in the downtown. At the intersection of Second and Monterey, there was discussion at the workshop that there are pedestrian refuges. He said that this area is constructed with cobblestone material and is not handicap accessible. He recommended that some funds be used to flatten this area to give a pedestrian feel to individuals not able to cross the street.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council unanimously (5-0) moved to extend meeting time to midnight.*

Mr. Ashcraft felt that the reduction of the lane from 12' to 10.5' would be the most cost effective item that can be done in the downtown to slow traffic versus the use of removable speed cushions.

Council Member Carr inquired whether the dashed lane and the line closest to the sidewalks can be moved so that everything is moved closer to the median, providing more space between cars and pedestrian.

Mr. Ashcraft indicated that lines are thermomast painted and would need to be grinded off. If you grind too far, you would remove pavement. He said that moving the center line would add an additional \$10,000 in cost.

Mayor Pro Tempore Tate said that there is some concern whether the \$75,000 expenditure would be effective. He inquired whether there was a way to try this alternative on a temporary basis.

Mr. Ashcraft said that this could be done with asphalt berm and painting. However, it would look unsightly in front of the community center. He has no doubt that doing this will slow traffic down in front of the community center heading north. It is not known how long the slowing down affect would continue.

Mayor Kennedy said that he has had several individuals tell him that the lighted crossings are effective. He inquired whether the traffic consultant has recommended that these be installed and whether results were associated with their installation.

Sorhab Rashid, traffic consultant, said that he has seen lighted crossings installed. He said that there have been some cases the benefits have been noticeable. In other cases, it is a mixed situation. He noted that this is a non standard situation for this application as there are two separate crosswalks. He said that lighted crossings are most effective when you have a single crosswalk located mid block.

Mayor Kennedy opened the floor to public comment.

Brad Jones felt that there was a flaw in the plan as those who observe downtown traffic were not consulted. He felt that the most effective action to slow the traffic in the downtown would be to narrow the lanes to one in each direction. The next most effective solution would be to have the Second Street signal lights as flashing red lights and the installation of stop signs at First, Third and Fourth Streets in both directions. These alternatives could be installed with almost no cost to the City. He stated that traffic accelerates after First Street heading south. Slowing traffic down at Second Street is important. Installing stop signs or cushions would make most individuals drive under 30 mph. He did not believe you need a speed cushion on First Street heading south. He indicated that at Second and Monterey is where individuals pick up speed and that they pick up speed until they get to Dunne Avenue. He recommended the installation of a stop sign at Third Street for a short period of time to see what type of reaction would be seen.

Mayor Kennedy inquired whether there could be periodic enforcement of traffic control in the downtown.

Police Chief Cumming said that enforcement could be implemented but that there is difficulty in keeping police officers there consistently as police officers get called away. He said that at the beginning of the school year, the City spent some overtime in placing extra officers on duty, concentrating in school and downtown areas. He felt that this work was successful in making individuals realize the speed of the downtown area, issuing a lot of tickets.

Mayor Kennedy said that another possibility would be to increase overtime for traffic enforcement in the downtown.

City Manager Tewes noted that the budget for traffic calming will be from Redevelopment Agency funds, noting that these funds cannot be used for police officer overtime. Overtime would come from the general fund.

No further comments were offered.

Council Member Sellers did not recommend proceeding with narrowing the intersection of Dunne/Monterey fronting the community center. He stated that he would support recommending item 2, the lane reduction and the high visibility crosswalks at First and Third Streets. He recommended a thorough steam cleaning of the brick pedestrian crosswalks. He stated that he would support moving forward with items 4a and 4b; the speed cushions and the installation of trees in the median; although he did not believe that a speed cushion was needed at First Street. He recommended that they be installed further south in the south bound lane. He would support the Downtown Association's recommendation of the extension as it would help slow traffic down and would provide the traffic calming residual benefits. He felt that the City could address the pedestrian refuge accessibility issue, removing the cobblestones to make the refuge more accessible. He noted that the City will be using the speed notification signs. He recommended that speed notification signs be deferred until their effectiveness south bound is determined. He clarified his support of items A2, A3, 4a, 4b, add the extension; considering the speed notification signs. He requested a follow up report on the effectiveness of having flashing red signals at Second Street as it may have a significant impact on slowing traffic and the

residual problem that this may cause. He requested that feedback be provided to the Downtown Association and/or the Council in order to determine whether this should be implemented.

Council Member Grzan stated that he would support imbedded pedestrian pavement lights. If the Dunne/Monterey intersection is not to be narrowed, he recommended that a few less trees be planted. This would result in having the \$100,000 necessary to install the First and Third Street embedded pedestrian light. He indicated that these lights were installed at Foothill College and individuals started to slow down before they got to them. He finds their use to be effective.

Council Member Sellers said that he has seen imbedded pedestrian pavement lights in San Luis Obispo and Monterey. He said that they were effective, noting that they were installed on narrow, one lane streets. He would recommend that if the City is to proceed with this alternative, that they be installed in one or two directions. He said that there are logistical issues that might diminish their effectiveness.

Mayor Kennedy agreed to the elimination of the narrowing of Dunne/Monterey, deferring to a future time, if needed. He stated his support of A2 (narrowing lanes from 12' – 10.5'). Instead of proceeding with A3, he recommended the imbedded pedestrian pavement lights at First and Third Streets, using general fund reserves to help pay for this. He supported item 4a and 4b, relocating the speed cushion northbound from First Street, moving it further south. He supported the installation of trees in the median to further create a slowing of traffic. It is his understanding that B1 (impact fees) is to be completed at a later date. He supported the downtown entry statement as recommended by the Downtown Association. Further, he supported the two radar speed notification signs as it is a good low cost option. He would support the use of general fund reserves for increased traffic enforcement (overtime).

Council Member Sellers recommended that the imbedded pedestrian pavement lights be installed at First Street at the south crosswalks and at Third Street at the north crosswalks as this is where most individuals cross.

Mayor Pro Tempore Tate noted that staff recommends spending 60% of the City's limited funds at the Dunne/Monterey intersection. He said that he did not want to see this alternative be thrown out arbitrarily as he would like to try this option. He did not believe that you need to spend \$75,000 to figure out whether it will work or not. If staff believes that this solution is worth spending 60% of the funding, he felt that the City should try it in some limited fashion to determine its affect.

Mr. Rashid said that temporary use of planters could be used to achieve vertical treatment with the use of traffic markings.

Mayor Kennedy suggested the use of planter boxes with temporary curbs as a solution.

Council Member Carr stated that he was not ready to eliminate the Monterey/Dunne alternative as it would help match the rest of the corners in the downtown. He noted that most of the corners in the downtown have the bulb outs already. He felt that there were a lot of things that can be done to make sure that it does not give the appearance of a big white blob in the summer and/or blinds drivers. He felt

that a solution could add aesthetics to this important corner and to the community and cultural center. He recommended installation of the high visibility crosswalks for \$10,000. If the City does not see benefit from this, the Council could consider the imbedded lights. He sees the benefit to the lights at night time. However, he hears that the traffic issue in the downtown is a daytime issue. He does not believe that the imbedded lights would have as big of an impact. Therefore, he would like to try the high visibility crosswalk, the least expensive alternative to see if benefits can be achieved by this solution. If not, the Council could take a look at the installation of pavement lights. He did not see anyone disagreeing with the lane reduction, the use of speed cushions and the installation of some trees. He liked the idea of funding for speed enforcement and dedicated police time in the downtown.

Council Member Sellers recommended that staff cost out items as identified by the Council, including the extensions, pedestrian refuge. Staff to return to the Council with the list and costs associated with the items at its next meeting.

Mr. Ashcraft said that once a final decision is made, staff can proceed with the construction of the items listed under the “A” list this summer and complete them before school opens in the fall. He said that this would add nicely to one public bid in conjunction with the improvements to be installed at Central and Monterey Road.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council **directed** staff return with a list of traffic calming items as identified by the Council this evening, costing these items out.*

Council Member Tate did not believe that there was clarity on the recommendation of the lights in the pavement. He did not agree to their installation.

Council Member Sellers recommended that the impeded pedestrian crosswalk lighting be listed as a bid alternate.

Mr. Ashcraft said that staff would use paint for high visibility crosswalks. If the City likes this solution, thermomast could be used at a later date.

Vote: *The motion carried unanimously (5-0).*

City Manager Tewes said that it was his understanding from the motion that staff is to return next week with a list of options; costing out the alternatives identified by Council this evening. He said that it was not clear whether the Council wants to revise the budget strategy relating to the use of the general fund. If the Council is willing to allocate additional funds for traffic control, he indicated that this would not be staff’s highest priority as there are other places in the community where there are safety issues that need to be addressed. He requested clarification as to the amount of money the Council is talking about or whether the Council is talking about occasional overtime for occasional enforcement.

Council Member Sellers clarified that he would like to see a list with cost associated with the items. He said that use of the general fund will be part of the discussion when this item returns to the Council.

Mayor Kennedy said that he could see increasing the budget from \$25,000 to \$50,000 in funds for increased traffic enforcement; possible 3 or 4 times over a period of time.

Council Member Sellers recommended that items 25 and 26 be deferred to January 26, 2005.

Mayor Kennedy suggested that item 26 be deferred and requested that Council members e-mail their individual appointment preference to him. He would return with a proposed assignment list.

City Manager Tewes indicated that based on the Council retreat, staff would be returning with a resolution establishing standing committees on February 2, 2005.

24. INSURANCE REQUIREMENTS FOR IMPROVEMENT AND SUBDIVISION IMPROVEMENT AGREEMENTS

Finance Director Dilles presented the staff report, indicating that on December 15, 2004, the City Council considered a time extension for the McLaughlin-Jones Morgan Station project. As part of that discussion, the Council heard about insurance difficulties encountered by the developer. It was indicated that staff was requiring extension of completed operations liability and that such coverage was not part of the previous coverage provided to and accepted by staff on the project. Further, the South County Housing representative stated that this coverage was not available in the market place. He stated that the Council instructed staff to accept the insurance offered by the developer for this project in order to allow them to commence construction as the same insurance was previously accepted by City staff and the fact that the City is partnering with this non profit, low income housing organization.

Finance Director Dilles informed the Council that staff has compiled a list of subdivision improvement agreements approved by the Council over the last year. He said that the list shows, in general, developers were able to meet the City's insurance requirements. In addition, staff learned that South County Housing is now able to secure the complete operations coverage at a cost of \$20,000. He said that letters from Dick Speck, Dividend Homes, and from South County Housing state that obtaining the coverage is problematic and expensive. He stated that staff has spoken with the City's insurance advisors, ABAG Plan, regarding their recommendation for insurance requirements for subdivision improvement agreements. Based upon their input, staff has come up with the following recommendations: 1) The City should continue the extension of on going and completed operations coverage to the City as it is important for the City to be protected in case of a lawsuit attributed to a defect in the offsite improvements related to a project. The ABAG Plan recommends that the developer obtains the completed operations coverage and that this coverage be extended to the City and that this be explicit in the agreement. 2) The Liability coverage should be at least \$2 million per occurrence, an increase from the current \$1 million requirement. He acknowledged that insurance costs would be more unless the developers are already paying this higher coverage. 3) Aggregate coverage should be doubled per occurrence, noting that the current amount is \$1 million. This would be an increase in the initial cost to developers. 4) The insurance should be occurrence based. He said that this is a requirement that staff looks for in every agreement. Staff is to be more explicit in the agreement to make it clear that the City is requesting occurrence based insurance and not the claims made insurance. 5) A commitment to have

an extended completed operations insurance for an explicit period of time. In addition, staff recommends that an exception apply under certain conditions (e.g., City partners with an agency or with an affordable housing, non profit developer). In order to fund the insurance, the City or Agency would pick up the price tag for the higher premium for the extension of the completed operations coverage to the City.

Finance Director Dilles informed the Council that South County Housing has asked that the Council approve the exception and that it defer any decisions about any of the other recommendations in order to receive additional input from the development community. He stated that other developers have indicated that they would like to have more input in the process and have requested a delay. He said that staff believes that it is appropriate to receive as much input as possible from the development community before making changes. He said that staff did not anticipate an increase burden on developers when starting out with this process and returning with a set of increased requirements. In talking with the City's ABAG Plan, they believe that it is appropriate to increase the coverage in some cases. He said that it would be appropriate for the Council to direct staff to contact the local development community and receive their input on the proposed changes before implementation. However, the Council may wish to consider approving the exception relating to non profit, affordable housing development.

City Manager Tewes indicated that the Council also heard from Mr. Kosich on December 15, 2004 who had contractual commitments and was hopeful that he would be able to secure insurance and complete the subdivision agreement before the end of the year. He requested that the Council bring this topic back the first meeting in January 2005. He informed the Council that he met with Mr. Kosich during the furlough period and that he was able to provide the required insurance. Therefore, his subdivision improvement agreement was approved in a timely manner.

Finance Director Dilles informed the Council that an agreement with South County Housing has not been executed because they have not met the current insurance requirements. He noted that the Council directed staff to accept the lesser insurance for the Morgan Station Project. He said that South County Housing's Viale project is pending at this time and that they are interested in receiving feedback on this particular issue.

Mayor Pro Tempore Tate felt that developers were limited by the insurance they are able to secure. If the City is going to place insurance requirement on development projects that are not available, the City would be tying developers' hand. He said that it is getting even more restrictive for developers to secure insurance at the same time the City wants to secure additional insurance.

Council Member Grzan inquired as to what other cities are doing to address this problem.

Finance Director Dilles stated that ABAG Plan advised that the City's requirements are consistent with other cities in the ABAG Plan. He said that ABAG Plan is starting to hear from other cities the similar issues. He indicated that the City is one of 32 cities in the ABAG Plan and that the City has a \$100,000 deductible. After this deductible, there is a \$5 million per occurrence pool. He stated that the ABAG Plan insures the City, but that they do not insure developers.

Council Member Grzan recommended that staff contact a couple of cities to see if they are complying with the ABAG Plan or whether they have found it impossible and developed their own policy. Should the City decide to partner with a non profit, affordable housing developer, the City would need to look for another resource to extend insurance coverage to the City.

City Manager Tewes said that staff does not recommend that insurance fees be waived. If it is the Council's policy to pay the difference in insurance cost for low and moderate income housing project in order to extend coverage to the City, the insurance cost should come from the low and moderate income housing funding source. He said that the risks remain the same no matter who the City partners with. Staff is recommending that the risks be insured. If part of the partnership means that there are additional costs, these costs need to be factored into the assistance to be provided to that project.

Finance Director Dilles informed the Council that it is staff's intent to contact each developer and ask for their input should the Council agree to continue this item.

Council Member Carr noted that staff is recommending that action items A-E be deferred, but that the Council take action on action item F and talk about additional funding. He requested that staff keep in mind that it may be difficult to obtain completed operations coverage. Therefore, the City may wish to consider insurance requirements more than an on going operations insurance and that it may be less than the completed operations coverage.

Mayor Kennedy opened the floor to public comment.

Rocke Garcia, Glenrock Builders, indicated that developers are in an insurance crisis. He said that he was able to solve his problem because he was able to pass the insurance requirement onto the general contractor of his project. He said that he put up bonds for the off site improvements for the sixth phase of the Capriano project with a bond amount of \$754,000. He stated that he was quoted over \$125,000 and up to \$150,000 to provide the insurance the City required. He felt that there were two major issues: 1) there is a one year warranty period after the off site improvements are completed and then a "defect period" comes into play over a 10-year period. He said that this is where the problem exits with completed operations insurance. He inquired what responsibility the City has regarding the off site improvements and the maintenance thereof.

Barton Hechtman stated that he was in attendance to ask for a deferral of this item so that the development community can meet with staff. Therefore, he is supportive of the continuance. However, instead of having individual meetings with each developer, he recommended that a roundtable discussion be held, inviting representatives from ABAB, insurance industry and the home builders association. Having a roundtable meeting with everyone in attendance would result in everyone hearing the same information. He felt that the Council needs to be fully informed when this item returns. The City needs to know the impacts associated with changes to insurance requirements on development in Morgan Hill.

Barry Link, commercial casualty insurance broker, indicated that insurance is difficult to come by for the construction industry and that it continues to be this way with no improvement in sight. He addressed the \$2 million limit and the \$4 million aggregate. He said that you tend to see \$ 1 million limits with most constructions. In order to get to the \$2 million limit, you need to go above and beyond the base primary policy and get into an umbrella policy, increasing the costs by as much as 50%. On a \$700,000 home, this could add \$21,000-\$28,000 in insurance costs. Adding an umbrella insurance policy would increase these costs. He indicated that he has heard many developers talk about declaring bankruptcy because of insurance costs. He stated that there are also costs associated with workers compensation and health insurance on top of liability insurance. The requirements placed on developers carries over to the entire operations for all projects, not just for those projects being constructed in Morgan Hill. He stated that he was not clear on the 3-year continued completed operations. He inquired whether the City was requiring a developer or contractor to provide a renewal policy for three years after the completion of a project or whether the City was talking about an additional insured endorsement providing completed operations to the City. If this was the case, he did not believe that residential contractors would be able to secure this insurance.

Scott Schilling said that the general liability insurance policy is still in a crises state. He stated that in the State of California, there were 3-4 companies he could go to in order to obtain this policy. Five years ago, there were over 20 companies in California. He stated that within the last couple of years, the State adopted SB 800. It was the hope that this legislation would help ease the insurance crises and companies would return to California, noting that this remains to be seen. He said that the \$2 million and the \$4 million issue will be a significant cost increase. He requested that the Council receive input from the development community as recommended by Finance Director Dilles, allowing developers to meet with staff and others in order to try and come up with something that will work for everyone involved.

Andy Lief, South County Housing, said that when South County Housing was asked to provide completed operations endorsement to the City, it was not available. He said that what was subsequently available was not the completed operations endorsement but that they provided the City with additional coverage. He requested Council consideration of a policy direction relating to recommendation F this evening so that the Viale project can move forward. Regarding the completed operations and the need to extend it to three years, he agreed that this is a major problem.

Joe DiConza, representing the San Pedro Villas project, noted that Measure P projects are usually built in phases. You receive approval of a development agreement for phase I with the approval of insurance certificates acceptable to the City. Then you have another development agreement for phase II only to find out that the insurance certificates are not acceptable because policies change. He was fortunate to be able to change his policy to accommodate policy changes. He said that this resulted in an increase of \$21,000 for the insurance policy. He said that the cost to insure a 32-unit housing project is \$950,000 which equates to approximately \$30,000 per unit. He said that it was encouraging to hear that the development community would be given the opportunity to comment. He recommended that individuals from the insurance industry be invited to the meeting.

No further comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Directed** staff to meet with developers in a round table format, encouraging participation from the insurance industry and other key individuals in a collaborative process; and **Approved** item F as listed in the executive summary, with a commitment to provide funding needed to purchase the insurance for the South County Housing project, a City partnership. Staff to return with the appropriate documentation and funding recommendation for this specific project.*

Action: *On a motion by Council/Agency Member Carr and seconded by Mayor/Chairman Kennedy, the City Council unanimously (5-0) **Agreed** to extend the meeting to 12:30 a.m.*

25. DOWNTOWN AREA BUILDING ALLOTMENT

Action: *By consensus, the City Council continued this item.*

26. REVIEW OF CITY COUNCIL COMMITTEES AND APPOINTMENTS TO OUTSIDE AGENCIES

Action: *By consensus, the City Council continued this item.*

Redevelopment Agency Action

OTHER BUSINESS:

27. DOWNTOWN REQUEST FOR PROPOSAL (RFP): GRANADA THEATER AND GUNTER BROTHERS GRANARY

Director of Business Assistance and Housing Services Toy presented the staff report, addressing key points for the Gunter Brothers Granary; Sunsweet site; Booksmart/Thinker Toy, and the Granada Theater projects. He said that staff would try to negotiate agreements and to keep the Economic Development Committee (EDC) and the Redevelopment Agency informed of the progress, as deemed appropriate.

Chairman Kennedy noted that this is a progress report in order to receive the Agency Board's concurrence with the direction in which the EDC has been moving forward with these projects. He noted that staff identified the work that is in process for each project and that the Agency Board is being asked to approve the actions to direct staff to move forward with the agreements that are ready to proceed, noting that the agreements would need to return to the Agency Board for approval.

Mr. Toy informed the Agency Board that the action before it is a request for conceptual direction to staff to negotiate an agreement given base parameters.

Executive Director Tewes noted a "not to exceed" amount is being recommended.

Agency Member Carr wanted to make sure that the Gunter Brothers project meets the goals of the Downtown Plan; making sure that the project conforms to all items addressed earlier this evening.

Chairman Kennedy opened the floor to public comment.

Ben Fuller, speaking for the Gunter Brothers project, indicated that he met with Downtown Association Board of Directors. He made it clear to them that this is a complex building site. Some of the ideas make a lot of sense and offers real opportunities for the future. He said that it will be a 2-4 year window period before they will be able to build. He understands the concepts and that he is looking forward to beginning the process. He indicated that phase I would be the initial development, phase II - housing development and Phase III is to return to the Council once the remediation process is complete.

Dan Craig indicated that the Downtown Association forwarded a letter to the Agency Board that states their concurrence with staff recommendations. He stated that it is felt that the Granada Theater is an important part to the turn around of the downtown. He felt that there is a golden opportunity with Mr. Wilkinson and the Granada Theater. He urged the Council to adopt staff's recommendation this evening.

Dan Ehrler informed the Council that the Chamber of Commerce Board of Directors unanimously voted its conceptual support of Mike Wilkinson's revitalization of the Granada Theater.

No further comments were offered.

Agency Member Sellers confirmed that this is a work in progress. He felt that earlier actions taken this evening were items that will help contribute to the downtown. He said that there is no other project more important than the revitalization of the Granada Theater as its closure has been significant. Once you lose a theater in the downtown, it is difficult to bring it back. He said that projects in the downtown require a variety of elements that have to come together and there has to be agreement on the part of all parties to make it happen. He said that Mr. Wilkerson has done a tremendous job in expressing his interest in the Granada Theater. He felt that it was important for the Gunter Brothers project to understand the Redevelopment Agency Board's goals. He stated his appreciation of Mr. Fuller's willingness to work toward these goals in order to get a more contiguous store front in this area. He felt that there can be more creativity with the Sunsweet project. He indicated that he has talked to the City Manager about some preliminary ideas and that he would like to explore them further in order to maximize the value of the last two projects identified.

Action: *On a motion by Agency Member Sellers and seconded by Vice-chairman Tate, the Agency Board unanimously (5-0) **Directed Staff** to Negotiate Agreements with the Developer/Theater Operator and the Landlord for the Granada Theater in an Amount Not to Exceed \$1,060,000, Subject to Review and Approval of Agency Counsel.*

Action: *On a motion by Agency Member Sellers and seconded by Vice-chairman Tate, the Agency Board unanimously (5-0) **Directed Staff** to Negotiate an Agreement with the Developers*

of the Gunter Brothers Project in an Amount Not to Exceed \$363,000, Subject to Review and Approval of Agency Counsel.

Action: *On a motion by Agency Member Sellers and seconded by Vice-chairman Tate, the Agency Board unanimously (5-0) **Directed Staff** to Work with Glenrock to Revise its Proposal to more closely meet the Goals of the Downtown Plan.*

Action: *On a motion by Agency Member Sellers and seconded by Vice-chairman Tate, the Agency Board unanimously (5-0) **Directed Staff** to Work with the Developer/Operator of Booksmart/Thinker Toys to Encourage a Joint Venture with one of the Property Owners along the Third Street Block for the Relocation and Expansion of the Business.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

\$30,000 CDGB funding request from the Dayworker Center Committee (for the 1/26/05 agenda) – Mayor Kennedy.

Streamline the agenda – Council Member Sellers

Discuss the possibility of starting the meeting ½ hour earlier – Mayor Pro Tempore Tate

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 12:28 a.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY



CITY COUNCIL STAFF REPORT

MEETING DATE: *February 2, 2005*

AWARD OF MAINTENANCE CONTRACT FOR SANITARY SEWER ROOT ABATEMENT PROJECT

RECOMMENDED ACTION(S):

1. Award maintenance contract to Pacific Sewer Maintenance Corporation for the Sewer Root Abatement Project in the amount of \$144,750.
2. Approve 5% construction contingency funding of \$7,250.
3. Appropriate from our current year unappropriated Sewer Capital Fund (643) balance, a total of \$152,000.

EXECUTIVE SUMMARY: The scope of work for this project includes abatement of roots in the City's 8" sanitary sewer mains at forty-three locations (total of 25,000 lin. ft.) within the Jackson Oaks and Holiday Lakes areas. The work involves a combination of chemical and mechanical root removal verified by video inspections. Root abatement is required periodically to maintain the sanitary sewer system in good operating condition thus preventing sewer overflows due to restrictions of flow.

The City's sewer system in the Jackson Oaks and Holiday Lakes areas requires a higher level of maintenance than in the flatter areas of the city due generally to a greater susceptibility to ground movement as a result of the hillside terrain and to a greater presence of root intrusion. Root intrusion is more prevalent in many of the sewer lines in this area since most are located in easements located on private property where vegetation and trees grow very close to the lines. Roots enter the sewer lines primarily at joints and lateral connections seeking water.

The internal bid opening was held on December 7, 2004. The bids received are as listed below. The low bidder has many years of experience in sanitary system root abatement. Staff recommends award of the maintenance contract to Pacific Sewer Maintenance Corporation. This project is scheduled to begin in March, 2005 and be completed by December, 2005. Pacific Sewer Maintenance Corporation's bid was 11.35% higher than the engineer's estimate of \$130,000.

Pacific Sewer Maintenance Corporation	\$144,750
JF Pacific Liners, Inc.	\$179,850

FISCAL IMPACT: The total contract for this project will not exceed \$152,000 which includes a 5% contingency of \$7,250. It is recommended that this project be funded from our unappropriated Sewer Capital Fund (643) balance.

Agenda Item # 16

Prepared By:

Management Analyst

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 17

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1710, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON 11.13 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN AS THE AREA LOCATED BETWEEN THE SOUTH SIDE OF EAST CENTRAL AVENUE AND NORTH OF EAST MAIN AVENUE, BETWEEN MONTEREY ROAD AND THE RAIL ROAD TRACKS. (APNS 726-23-001 THRU 015)

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1710, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On January 19, 2005, the City Council Introduced Ordinance No. 1710, New Series, by the Following Roll Call Vote: AYES: Carr, Grzan, Kennedy, Tate; NOES: None; ABSTAIN: None; ABSENT: Sellers.

FISCAL IMPACT:

The City Council approved \$90,000 from the Traffic Impact Fee Fund and \$50,000 from the RDA Fund to cover the cost associated with the Downtown Plan Update.

ORDINANCE NO. 1710, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION ON 11.13 ACRES WITHIN THE DOWNTOWN AREA AS DEFINED IN THE DOWNTOWN PLAN AS THE AREA LOCATED BETWEEN THE SOUTH SIDE OF EAST CENTRAL AVENUE AND NORTH OF EAST MAIN AVENUE, BETWEEN MONTEREY ROAD AND THE RAIL ROAD TRACKS. (APNS 726-23-001 THRU 015)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.

SECTION 2. The zone change is required to serve the public convenience, necessity, and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. An environmental initial study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A mitigated Negative Declaration will be filed.

SECTION 4. The Zoning Map of the City of Morgan Hill, which is referenced under Title 18, Chapter 18.06 of the Morgan Hill Municipal Code, is hereby amended as shown in the attached Exhibit 6 and as further defined as follows:

Fifteen parcels totaling 11.13 acres located between the south side of East Central Avenue and north of East Main Avenue, between Monterey Road and the railroad tracks. These parcels shall be rezoned from General Commercial CG, to Central Commercial Residential CC-R as shown in the attached Exhibit "6". (APNs 726-23-001 thru 015)

SECTION 5. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 6. Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 19th Day of January 2005, and was finally adopted at a regular meeting of said Council on the nd Day of February 2005, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1710, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the nd Day of February 2005.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: February 2, 2005

QUARTERLY REPORT FROM THE CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT PARTNERSHIP

RECOMMENDED ACTION(S): Accept report

EXECUTIVE SUMMARY:

In December 2005, the Agency approved an agreement with the Chamber of Commerce (Chamber) to provide economic development services per its Economic Development Marketing Plan (Plan).

The key services under the FY04-05 Plan are as follows:

- Continue implementation of business retention and attraction program
- Retain marketing consultant to develop and implement marketing/public relations/advertising strategy
- Retain public relations firm, as needed, to handle "external" public relations
- Develop and implement advertising campaign such as the "Shop in Morgan Hill" campaign
- Prepare and develop collateral marketing materials
- Plan and coordinate economic development related events (e.g., "business appreciation lunch")
- Maintain real estate property database on website
- Coordinate activities with the Morgan Hill Downtown Association
- Work with the tourism advisory committee and market/advertise special events

As part of the Chamber's quarterly reporting requirements, they will: 1) evaluate how well they have met the Plan's objectives and timelines, 2) provide performance measures for evaluation, and 3) provide financial reports detailing the expenditure of Agency's funds. Attached are the Chamber's quarterly reports for the past two quarters. Also attached are their draft performance measures. The Chamber hopes to have more details on the performance measures available at the meeting.

FISCAL IMPACT: The Agency has an agreement for \$120,000 with the Morgan Hill Chamber of Commerce to provide supplemental economic development activities. We have already compensated the Chamber about \$35,000 for the services rendered from July 1 through December 31, 2004. The Chamber has received \$7,500 in contributions from the private sector during this six month period.

Agenda Item # 18

Prepared By:

BAHS Director

Submitted By:

Executive Director



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 19

Prepared By:

**Recreation &
Community Services
Manager**

Submitted By:

City Manager

SWIM TEAM RESERVATION POLICIES AT THE AQUATICS CENTER

RECOMMENDED ACTION(S): Approve policies establishing reservation procedures for lane space at the Aquatics Center.

EXECUTIVE SUMMARY:

The Aquatics Center has succeeded in remaining open during the off-season due in part to the support and utilization by the local swim team(s) and the growing city programs for community participants. However, our current situation with lane space allocation to swim teams continues to be a challenge. Since the opening of the Aquatics Center, we have experienced greater demand on the facilities than anticipated. This is becoming increasingly evident during these off-season months with the swim teams trying to co-exist on the deck with the city's programs. It has become obvious that the 50 meter pool will not be able to accommodate all of the lane requests *during the prime time* for all three user groups.

The growing issue is the requested prime-time use by both swim teams, specifically 3p.m.-7p.m. Monday through Friday, along with the city's master swimmers program, with only 17 short lanes available. This has resulted in less lanes being allocated to the teams than requested and the lack of growth opportunities for all three programs.

Staff is proposing the attached rental policy for reserving primetime lane use. As with past practices at other city facilities and with the 100% cost recovery goal, the city's programs will maintain first priority and continue to focus on providing community access. Resident, non-profit swim teams will have second priority and lane allocation will be determined by lottery. Each team requesting lanes will have to submit a \$100 non-refundable deposit for each lane requested to be determined in a lottery system.

A revised list of criteria is included in the new reservation form which will clarify the expectations between the swim teams on the deck and city staff. The positive outcome of this process is that both teams will have an equitable chance at lane assignments, the shortfall is that neither team may possibly receive enough lanes to make the use workable for their practice needs. Please note the budget revenue projection is for all lanes to be rented so if there is a shortfall in lane rentals staff will have to review the monthly forecast and determine if the center can financially remain open.

FISCAL IMPACT: The swim team rental fee is included in the cost recovery analysis of the operational budget of the Aquatics Center.



CITY COUNCIL STAFF REPORT
MEETING DATE: February2, 2005

Agenda Item # 20

Prepared By:

Recreation &
Community Services
Manager

Submitted By:

City Manager

AUTHORIZE APPLICATION TO MORGAN HILL AQUATIC CENTER, INC. FOR SUBSIDY FUNDING OF SWIM TEAM LANE USE

RECOMMENDED ACTION(S): Direct staff to submit application to Morgan Hill Aquatic Center, Inc. for subsidy funding in support of swim team lane use

EXECUTIVE SUMMARY:

The Morgan Hill Aquatic Center, Inc. (Foundation) was established in 2001 to subsidize the operational costs of the 50 meter pool during the off-season so there would be a year-round competition/training pool available to swim teams and the community. Otherwise, per Council direction, the center would be closed to everyone during the off-season as the facility is to be 100% cost recovery.

In that regard, the Morgan Hill Aquatic Center, Inc. (Foundation) has provided subsidized funding for team rental fees, water polo, and masters programs. City staff is requesting authorization from Council to apply for funding during the course of the year to subsidize the lane rental fees assessed to competitive swim team and waterpolo uses.

The amount requested will vary depending on the cost recovery goals of each season. This will change the relationship with the Morgan Hill Center Aquatic, Inc (Foundation) from one in which individual clubs seek financial assistance to one in which financial assistance will be provided directly to the City, which will allow us to adjust rental rates accordingly.

FISCAL IMPACT: The subsidy is needed in order to meet the operational cost recovery goals of the Aquatics Center.



CITY COUNCIL STAFF REPORT

MEETING DATE: *February 2, 2005*

WATER CONSERVATION ACTIVITY REPORT AND APPROPRIATION

RECOMMENDED ACTION(S):

- 1) Direct staff to prepare public bid documents for the construction of a Demonstration Water Conservation Garden at City Hall; and
- 2) Appropriate \$13,000 from unappropriated fund balance in Water Operations Fund (650) for a transfer to the Parks Development Fund for the development of construction documents for the Demonstration Water Conservation Garden Project, CIP #126005, and appropriate \$13,000 into the Parks Development Fund (301).

EXECUTIVE SUMMARY: On September 1, the City Council adopted the attached Water Conservation Workplan directing the City's activities over a two-year period. The purpose of this item is to provide the Council with a progress report and to provide the Council with an opportunity to make an appropriation needed to further implement one of the activities.

Implementation activities are on schedule for most of the activities planned for this fiscal year. Ordinances requiring water efficient landscaping and the submetering of new multi-family housing should be brought to the Council this Spring. The water conserving rate structure is being analyzed and staff will also bring the results of this analysis to the Council this Spring for additional direction.

There are two activities that will require an additional appropriation in order to proceed. The initial design for the Water Conservation Demonstration Garden has been completed and is attached. This project, planned for the east side of City Hall, will achieve the following three things: 1) Educate the public on how good a water-efficient landscape can look and the different approaches useful in developing a water-efficient landscape; 2) Lead by example to the community; and 3) Reduce general fund expenditures associated with the watering and maintenance of public grounds. The Water District has preliminarily agreed to contribute \$10,000 - \$20,000 to this project out of a total construction estimate of \$126,046. A new appropriation of \$13,000 from the Water Fund will be needed to continue with this project if the Council directs staff to proceed developing construction documents and soliciting construction bids. If the Council approves of this appropriation, staff will include funding for Garden construction in the 2005-2006 CIP, project #126005.

While the Water Conservation Workplan indicated that staff would begin working later this year on a financial assistance program that stimulates water-efficient landscaping retrofits, staff has recently learned of a similar effort being implemented by the Water District. As currently envisioned, the District's program will provide an incentive of \$75 per 100 square foot of turf replaced to property owners that replace irrigated turf with water-efficient plantings. If the District finalizes this program this year, as they currently intend to, staff intends to ask the Council for the appropriation needed to augment the District's program. By augmenting this effort, the City can leverage the District's resources and have a far greater impact on Morgan Hill landscapes.

FISCAL IMPACT: \$13,000 is currently available from the unappropriated Water Operations Fund (650) balance, to be transferred to project #126005, in fund 301, Parks Development.

Agenda Item # 21

Prepared By:

Program Administrator

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 22

**Prepared and
Submitted By:**

City Manager

INDIAN TRIBE DEVELOPMENT PROPOSALS

RECOMMENDED ACTION(S):

Consider policy issues and provide direction for continued staff and Council involvement.

EXECUTIVE SUMMARY:

Proposals by two different Indian tribes pose policy issues that may impact the community of Morgan Hill. In the first, the California Valley Miwok, a federally recognized Indian tribe, is proposing to acquire land near the Hollister airport for use as a gaming casino. The project requires approval by the federal government to place the land in "trust" and approval by the Governor in the form of a gaming compact.

To learn more about the project, its potential impacts, and the process by which it could be approved, a group of elected and appointed officials from San Benito County and Santa Clara County have been meeting informally. The Mayor and City Manager of Morgan Hill have been invited to participate. The project may have both positive and negative impacts on the most nearby communities, but the impact on Morgan Hill is not clear.

The informal group has also been learning about a second proposal which does not involve gaming, but could result in the development of 3,000 acres of Sargent Ranch south of Gilroy. The Amah Mutsun Tribal Band is seeking federal recognition and then subsequent approval of a proposal to bring the land into "trust". The Bureau of Indian Affairs' decision is subject to the National Environmental Policy Act (NEPA) that requires formal environmental review, but it is not clear to what extent the subsequent urbanization will be evaluated. The federal government would require either a plan for establishment of municipal services by the Tribe or a contract for municipal services with nearby agencies. If the latter, agreements about compliance with environmental and building regulations could be negotiated. The development of Sargent Ranch to the south of Gilroy has the potential to be a very large "new town" with transportation and resource impacts to South County.

The policy question is whether the City of Morgan Hill should continue to participate in the informal meetings in order to develop a greater understanding of the projects before recommending a formal position for Council action.



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

Agenda Item # 23

Prepared and Submitted By:

City Manager

EVALUATION OF SYSTEM OF COMMITTEES AND COMMISSIONS

RECOMMENDED ACTION(S):

1. Consider the Report and Recommendations;
2. Request the Library Commission and the Parks and Recreation Commission to comment on the suggestions for modifications in their scope of responsibility; and
3. Request all Citizen Commissions to prepare Work Plans for consideration during the annual budget process.

EXECUTIVE SUMMARY:

The attached report, "Organizing for Public Policy," recommends the establishment of five standing Council committees to replace the current system of ad hoc and single subject subcommittees. The five committees would consist of two members. Each council member would chair one committee and be a member of one other committee. The report recommends two year terms following an initial year in which one member would serve only one year before being reassigned. The five committees would be:

- Financial Policy Committee
- Regional Planning and Transportation Committee
- Community and Economic Development Committee
- Utilities and Environment Committee
- Public Safety and Community Services Committee

The Report also describes the role of Council liaison and makes some suggestions for improvements.

The Report recommends that all citizen committees and commissions be asked to prepare an annual work plan for Council review and approval. The Report also recommends a slight shift in responsibilities from the Parks and Recreation Commission to a newly titled "Library, Culture and Arts Commission."

Following Council discussion and direction on the establishment of the committees and changes, if any, to the citizen committees and commissions, we will return with appropriate resolutions and amendments to the Municipal Code.

FISCAL IMPACT:

Implementation of goals and policies will be reflected in the City Manager's Recommended Budget for FY 05.



City Manager's Office
January 14, 2005

ORGANIZING FOR PUBLIC POLICY

In Morgan Hill, as in most communities, the City Council establishes public policy based on many factors: individual council member perspectives on community needs, recommendations from professional staff, public hearings and input from citizen committees and task forces. The Council also uses subcommittees comprised of council members to evaluate policy options and make recommendations to the full Council.

During the annual goal setting retreat in early 2004, the Council recognized that the current approach to organizing committees and task forces may not be sustainable in the future given the adopted budget strategy that calls for permanent reductions in City costs that do not impact direct services to the public. Yet, it was also recognized that public policy decisions are improved to the extent they are informed by the thoughtful deliberations of groups with broad community representation who have been asked to evaluate specific issues.

Before considering any modifications in the policy making process, the City Council directed the City Manager to

“...evaluate the existing system of council committees and subcommittees, as well as its citizen commissions, committees and task forces and prepare recommendations for reducing costs, enhancing communication and improving decision-making processes.”

This report presents the City Manager's evaluation and recommendations, with full recognition that the three objectives (cost reduction, improved communication and improved decision making) require balancing different values. For example, costs could be reduced by significantly reducing the number of committees and commissions making it easier to communicate with those few remaining, but it might not improve decision making. Similarly, decision making might be improved to the extent additional analytical resources were devoted to the citizen commissions, but at additional budgetary cost.

This report recommends modifications in three areas:

- The organization of Council committees;
- The appointment of individual council members to liaison roles on outside organizations and citizen commissions; and
- The organization of citizen commissions, committees and task forces.

For each area, there is a short description of the current approach with a discussion of the pros and cons. In some instances, the recommendations for modifications require only Council concurrence in a different approach. In others, specific changes in ordinances would be necessary. It is expected the Council would engage in its own evaluation of the report and recommendations before a full implementation plan is developed.

Council Committees

During 2004, City Council was assisted in policy development by the following committees comprised of council members themselves.

- Finance and Audit Committee
- Economic Development Committee
- Legislative Committee
- Library Location Subcommittee
- Aquatics Center Subcommittee
- Indoor Recreation Center Subcommittee
- Gamel Expansion “Red Team”
- Medical Services Subcommittee
- Regional Soccer Complex Subcommittee
- Personnel Subcommittee

Finance and Audit Committee

The mission and purpose of this committee was established by Council action in 1997. (See Attachment A). With an established policy jurisdiction and regular meetings, this committee is a “Brown Act Committee” requiring public meetings and posting of

agendas and minutes. Council membership is rotated every six months with members serving a one year term. The City Treasurer is a continuing member of this committee.

Economic Development Committee

This committee was established in 2003 when it became apparent that individual proposals for economic development assistance required policy perspectives as well as staff analysis of business terms. The committee also recommended a formal Economic Development Policy which was adopted by the Council. Because the committee was expected to have no continuing jurisdiction, and would meet only when needed, it was considered not to be a “Brown Act Committee.” However, upon advice of the City Attorney, the Council agreed to review the functions of the committee after one year to determine if it would be appropriate to formalize the committee. A few months ago, the Council made the current appointments to the committee with the expectation the terms would last for one year.

Legislative Committee

Two council members were appointed to annually review and recommend a “legislative platform,” and individual issues referred by the Council.

Library Location Subcommittee

Two council members were appointed to make a recommendation to the full Council on location of the new library, in the event a State grant was not received for a larger library already determined to be located at the Civic Center. During the course of its work, the subcommittee invited interested citizens to join them in evaluating options. The subcommittee made its report and recommendations to the Council on July 21, 2004, completing its work.

Aquatics Center Subcommittee

Two council members were appointed to make recommendations on the construction and operation of the Aquatics Center. The subcommittee recommended an architect team, made recommendations on scope and funding for the construction project, made recommendations on the price structure and operational policies for the center and recently recommended to the Council that the facility remain open throughout the year under certain conditions. The subcommittee has also reviewed a “wish list” of capital improvements at the Aquatics Center, and may develop recommendations for Council consideration as part of the FY 06 Budget discussions.

Indoor Recreation Center (IRC) Subcommittee

Two council members were appointed to make recommendations on the construction and operation of the IRC. The committee was established after several Council discussions of the scope and purpose of the project, and consideration of a proposal from the YMCA to contract with the City to provide “health and fitness” services at the IRC. The committee recommended a financing strategy and changes in the scope of the project to reduce costs. During the course of its work, the subcommittee invited representatives from the Parks and Recreation Commission and the YMCA to participate in the evaluation of

options. The subcommittee recommended approval of the design development phase of the project and the Council has authorized preparation of construction drawings and public bidding on the project in March 2005.

Gamel Expansion “Red Team”

The Mayor asked another member of the Council to join him in evaluating options to retain Dan Gamel R.V. in Morgan Hill and to expand operations. The committee recommended an economic development assistance package that was approved by Council on September 22, 2004, completing its work.

Medical Services Subcommittee

Two members of the Council were appointed to draft an update to the Medical Services Policy. A new “Medical Services Policy and Objectives” was adopted by the Council on August 25, 2004, completing the subcommittee’s work.

Regional Soccer Complex Subcommittee

Two members of the Council were appointed to interact with elected officials in the City of San Jose to facilitate the development of a regional soccer complex on the Sobrato school site.

Personnel Subcommittee

From time-to-time, Council has appointed two members to serve as a subcommittee to oversee matters relating to the employment of the City Manager and City Attorney. Recommendations of such subcommittee are considered by the full Council in public session.

Observations:

The use of committees and subcommittees allows the full Council to receive the benefit of elected official input into complex policy questions that require more than just staff or citizen input. The committees and subcommittees work best when they consider the full Council as the “client” for their work. The committees and subcommittees are not “mini City Councils” and do not have the authority or responsibility to direct resources or make policy. They are intended to provide analysis and recommendations to the full Council.

Under such a system, however, there is the potential for accountability to be diffused and unclear. Staff works with the subcommittee and provides input, analysis and recommendations, and generally the subcommittee and staff concurs in the final report. However, there is a natural tendency to become less concerned about developing an independent staff perspective when a Council subcommittee has been appointed. Especially in the instance when the Council has asked a subcommittee to recommend the selection of architects or consultants, the staff views will be presented at the committee level, but not presented to the full Council.

Whenever a subcommittee has been appointed, it is natural for citizens and those interested in the subject matter to consider the members of the subcommittee to be the official spokespersons for the Council on the issues. In some instances that is appropriate; such as in the case of the Regional Soccer Complex Subcommittee which was specifically appointed to represent the City's views with other agencies. However, in others, the subcommittee has simply been charged with analyzing policy options and presenting them to the Council for later determination.

It is equally natural for citizens and others to consider the members of a subcommittee to be problem solvers on behalf of the Council, hearing concerns about the wisdom of City policies or the fairness of their implementation. In some cases, members of a subcommittee facilitate dialogue among parties in a dispute and assist in reaching a resolution. Individual council members may appreciate that someone has been assigned to be responsible, but it is important to maintain communication with the rest of the Council to ensure solutions are consistent with Council policy or that policy not be established indirectly without the benefit of full Council review.

It is not clear that the burden of work is shared equitably among council members or that the assignments always represent the priority interests of individual councilmembers. With only one standing committee, (maybe two, including Economic Development) there are limited opportunities for council members to contribute in the areas of their greatest interest. The relatively short rotations on the Finance Committee and the Economic Development Committee maximize council member participation, but limit the opportunity for any single council member to gain sufficient background and experience to maximize effectiveness.

Scheduling meetings for busy council members is difficult. The Finance Committee seeks to hold meetings prior to regularly scheduled Council meetings, but often Council priorities for closed sessions or workshops create conflicts or reduce the amount of time that can be devoted. The ad hoc subcommittees do not have regular meeting times so extra effort is required to arrange for meetings convenient to the members.

Recommendations:

It is recommended that the use of single issue subcommittees be minimized and a system of five standing committees be established instead. The subject matter of the five committees should be defined to include most matters that would require complex policy recommendations from an elected official perspective. Each committee would review proposed state and federal legislation within its jurisdiction and make recommendations to the full Council as appropriate.

With two-member committees, each council member would chair one committee and be a member of another. Each year, the chair of the committee would move to another committee assignment and the other council member would become chair, allowing for continuity.

The five committees should have regular meetings at least once per month with additional meetings only called as necessary. Committee members should establish a date and time for meetings that can then be fixed.

The five recommended committees are:

- Financial Policy Committee

To consider all policy matters relating to the budget, revenues, investments, borrowing and audits. (Except utility rates)

- Regional Planning and Transportation Committee

To consider all policy matters relating to the jurisdiction of ABAG, MTC and VTA as well as land use and transportation decisions of other agencies that impact Morgan Hill. (Except for Regional Fair Share Housing Needs)

- Community and Economic Development Committee

To consider all policy matters relating to City land use planning, economic development and housing, including review of proposals for RDA assistance.

- Utilities and Environment Committee

To consider all policy matters relating to the City's water and sewer enterprises including rates, flood control, and all policy matters relating to protection of environmental resources.

- Public Safety and Community Services Committee

To consider all policy matters relating to the provision of all other City services including police, fire, recreation and infrastructure maintenance; as well as policy matters relating to services provided by other agencies or entities such as library, arts, cultural and historical organizations.

An example of how rotations could work is attached as Attachment B. By using a two year cycle, the opportunity for council members to gain experience and provide leadership on a single committee is balanced against the opportunity to participate in at least four committees in a four year term for a council member.

Council Liaison Assignments

In addition to Council subcommittee work, council members have at least four other types of assignments:

- ▶ Appointment as Council liaison to one of the standing City Commissions;
- ▶ Appointment to serve as a Council representative on a citizen task force;
- ▶ Appointment to serve as the Council's voting representative on another agency or organization's board; and
- ▶ Appointment to serve as Council liaison to outside organizations.

Observations:

The role of "liaison" is not well defined and not consistently pursued. In some cases, a Council "liaison" attends most of the meetings of the organization, but, in others, the liaison only attends when a special matter requires attendance. In some cases, the "liaison" simply conveys Council's articulated interests to the organization and reports back to the full Council. In some instances, the "liaison" has helped the committee or organization formulate recommendations to the full Council.

The City commissions especially have expressed support for the liaison function. They view their volunteer work seriously and want to be helpful to the Council, and they believe they can be most helpful when there is clear communication of Council expectations. By and large, the commissions believe that, that is the most important role of a Council liaison.

Outside organizations also support attendance by council members at their meetings, but the role of the "liaison" is less well understood. In some cases, the Council liaison has helped outside groups formulate their strategies and have given guidance on how those groups might best present their case to the Council when City government assistance is needed. Even when the council members attending outside group meetings to merely provide their individual perspective on issues, the groups find it helpful; especially when they are "counting votes."

There is the potential for confusion, however, when council members assigned to a Council subcommittee are not the same ones who attend meetings of groups whose policy interests overlap with the jurisdiction of the subcommittee.

Some of the Council appointments are to the governing bodies of important public agencies. It often takes years to "move up through the chairs" to leadership roles in those agencies, so continuity of assignment can be important.

Recommendations:

For liaison assignments to City commissions, it is recommended that appointments be limited only to two of the reorganized commissions described below: The Parks and Recreation Commission and the Library, Culture and Arts Commission. The role of the Council appointed “liaison” should be to attend meetings, convey the Council’s expectations and interests as articulated in public Council meetings and to report back to the full Council on the work plan of the commission, and its recommendations.

For liaison assignments to outside organizations, to the extent possible, the council members who sit on the relevant Council committee should be assigned to those outside organizations who have similar policy interests. For example, the members of the Council’s Community and Economic Development Committee should be assigned as liaison to the Chamber of Commerce’s Economic Development Committee.

In all cases, the council member assigned as liaison should report to the full Council from time-to-time, either using the oral report opportunity at regular Council meetings or by providing a written report.

Citizen Committees, Commissions and Task Forces

There are five standing commissions or boards appointed by the City Council:

- Planning Commission;
- Architectural and Site Review Board;
- Mobile Home Rent Commission;
- Parks and Recreation Commission; and
- Library Commission.

(Various sections of the Municipal Code make references to the Personnel Commission and to a Health Commission that should be eliminated as part of any comprehensive updates.)

Each of the above commissions or boards is subject to the Brown Act requiring notice of meetings, a record of the meeting and an opportunity for the public to be heard. The first three groups have regulatory authority in addition to advisory responsibilities. Their decisions may be appealed to the City Council. The number of commission members varies for each group. Members are appointed by the Mayor with the consent of the Council, and serve at the pleasure of the City Council.

Planning Commission

State law requires certain planning matters to be first reviewed by a planning commission before they may be enacted. In addition, the Municipal Code grants the commission the authority to approve tentative subdivision maps, conditional use permits and zoning variances. Morgan Hill's voter approved Residential Development Control System also gives the Planning Commission specified responsibilities including "scoring" applications and awarding allocations for most new residential projects. The commission is comprised of seven individuals serving four year over-lapping terms. One of the members may live outside the city limits provided that he or she lives within the designated Sphere of Influence. The commission typically meets two times per month, with occasional special meetings including joint workshops with the Council or other committees. Costs for supporting the commission include agenda preparation and noticing, as well as staff attendance at meetings and legal advice. All expenses are accounted for in the Community Development Fund which is financed by charges to applicants.

Architectural Site and Review Board (ARB)

The board was reinstituted after a period of time when the Community Development Director had been authorized to issue site and architectural review permits under the Municipal Code. The board is comprised of five individuals who are to represent designated professions: an architect, a landscape architect, a general contractor, and two other persons with experience in the subject matters before the board. One member may reside outside the city limits, but within the Sphere of Influence. The board has regular monthly meetings to review applications for site and architectural review. Recently, the board established a subcommittee process in which two members of the board meet informally with applicants to review plans and provide comments. The ARB subcommittee will advise the applicant whether the matters under review will be placed on the "consent calendar" of the ARB, making a subsequent presentation by architects unnecessary.

Mobile Home Rent Commission

The duties of the commission include monitoring the effectiveness of the rent stabilization ordinance and to hear and determine petitions from mobile home park owners for rent increases. The five person membership is comprised of a representative of park owners, a representative of tenants, and three at large members. The commission is staffed by the Director of Business Assistance and Housing Services. It meets quarterly or as needed to review applications.

Parks and Recreation Commission (PRC)

The duties of the commission include developing recommendations to the council for both facilities and programs relating to parks, cultural facilities, recreation and bicycle facilities. The commission is comprised of seven members serving two year overlapping

terms. It meets monthly and is staffed by the Recreation and Community Services Manager and the Deputy Director of the Public Works. The commission is also authorized to appoint three committees to assist it in meeting its responsibilities:

- Senior Advisory Committee;
- Youth Advisory Committee; and
- Bicycle and Trails Advisory Committee (BTAC).

Library Commission

The duties of the commission include advising the Council on the adequacy of library services and existing library facilities, to serve as a liaison between the City and the Santa Clara County Library and to serve as a liaison between groups supportive of library programs and the city. It is comprised of nine members, no less than six of whom must be residents of the city. (No less than four must be registered voters within the City.) There are monthly meetings.

Observations:

The “costs” of maintaining a system of citizen committees and commissions includes both out of pocket budget costs, capital cost increases due to delay in approvals and opportunity costs. In 1992, facing a budget crisis, the Council eliminated several committees and commissions. City staff had been reduced and the ability to provide support diminished significantly. It is not clear how much was actually saved by eliminating committees. Certainly, the elimination of the recreation programs had a more significant impact on cost cutting.

Today, I estimate the budgetary cost of supporting the General Fund committees is less than \$20,000 per year. (The Planning Commission, ARB and Mobile Rent Commission are supported by staff whose costs are paid by applicants.) Those costs are largely in additional staff overtime, meeting room costs for utilities and clean up and the costs of producing notices, reports, and minutes. This is just an estimate.

The requirement that certain projects be reviewed first by committees, increases the time to make decisions, and increases capital costs for both private and public projects. The value of the committee processes can be evaluated by whether the resulting decisions lead to better projects.

The opportunity costs are the value of alternative activities that could not be conducted because of time needed to support committees, or issues that were not considered because they didn’t fall within the jurisdiction of an existing committee. In 1992, the decision to eliminate some committees may have been motivated as much by the desire to eliminate distractions as to save budget dollars.

The quality of committee recommendations is a function of the quality and motivation of the members, as well as the quality of the support they receive. Committee members tend to view satisfaction with their roles as dependent on the extent to which the Council seriously considers their recommendations. Yet, the Council's responsibility is to integrate a variety of perspectives, including competing objectives and the need to adopt programs that are financially sustainable. On occasion, the Council adopts a different approach than the one recommended by a citizen committee. As stated at the outset, it is the Council's obligation to integrate a variety of perspectives. It is important to recognize that committees with interest in only a few issues can impact the public policy debate by "turning up the volume" and drowning out other perspectives which are not represented by a formal committee.

There is a recent phenomenon that tends to exacerbate this shortcoming of a committee system. Increasingly, members of committees attempt to influence Council policy deliberations acting as "individual citizens." Rather than allowing the committee's report and recommendation to speak for it, some members feel compelled to add individual perspectives "for emphasis." On occasion, individual members attempt to organize others in the community to lobby the Council. So, rather than a group which seeks out and responds to citizen input in formulating recommendations, a committee can become an advocacy group which itself becomes a political actor.

The workload of committees and commissions varies. For some, their work is dominated by assignments by the City Council or the applications to be reviewed. For others, the topics to be discussed are driven by the interests of the members and the activities they wish to pursue. When there are few Council assignments, there is a tendency among members to construe their committee's jurisdiction widely, and they explore issues that may or may not be consistent with Council's expectations. For those committees that are appointed by and report to the Parks and Recreation Commission, there is a belief by many members that their issues are important enough to warrant a direct reporting relationship with the Council, without the need for the PRC to act as an intermediary.

Recommendations:

No changes in the number or reporting relationships of committees are recommended at this time. However, it is recommended that a portion of the jurisdiction of the Parks and Recreation Commission be transferred to the Library Commission. By including responsibility for "cultural facilities" as well as a new responsibility for "public art," the Library Commission should be renamed the "Library, Culture and Arts Commission."

It is recommended that commission membership be established at no more than seven persons. For those commissions with more than seven, it is recommended that the number be reduced to seven through attrition as terms expire.

Specifically, no changes are recommended in the current reporting relationships for the Senior Advisory Committee, the Youth Advisory Committee and the Bicycle and Trails

Committee. Each of these three is appointed by and reports to the Parks and Recreation Commission. Especially with the new Indoor Recreation Center, it is important that the interests of youth and seniors be made known to the PRC so decisions about program offerings and facilities can be integrated with other parks and recreation issues.

For some issues, the concerns of BTAC relate more to transportation planning than to “parks and recreation,” but the PRC responsibilities do extend to the review of capital expenditures. Absent other committees responsible for transportation (and a new “Streets and Transit Committee” is NOT recommended), BTAC should continue to report to the PRC.

The most important recommendation is that each committee or commission prepare an Annual Work Plan for review and approval by the Council. The work plan should set forth the issues to be addressed during the succeeding year, and the expected level of staff support. The Council could provide direction to each commission to develop a work plan to complement the Council’s adopted goals for the year, and include instructions such as develop ideas for minimizing budget costs for staff support.

Here is the recommended schedule:

January	Council meets in an annual goal setting session.
February	Council adopts goals and expectations for staff and commissions.
March/April	Committees and commissions prepare a work plan for the fiscal year beginning July 1.
May	Committees and commissions work plans are presented as part of the City Manager’s Recommended Budget.
June	Council adopts the budget and approves the work plans.
July	Work plan implementation begins.
August	End-of-year report on implementation of the previous year’s work plan.
January	Mid-year report from committees and commissions on work plan progress.



CITY COUNCIL STAFF REPORT

MEETING DATE: February 2, 2005

REVIEW OF CITY COUNCIL COMMITTEES AND APPOINTMENTS TO OUTSIDE AGENCIES

(This item was continued from the Council's January 19, 2005 meeting)

RECOMMENDED ACTIONS:

1. **Review** the Current List of Assignments and Appointments and Make Suggested changes to the Mayor
2. Mayor to **Appoint** Council Members to Serve on the Various Council Committees and Outside Agencies Subject to City Council Approval
3. **Direct** the City Clerk to notify the appropriate agencies of amended assignments

EXECUTIVE SUMMARY:

In 1994, the City Council adopted a policy that sets forth the procedures for assigning Council Members to outside agencies and committees in order to ensure that the interests of the City are represented. The policy states that the Mayor shall have priority in the selection of Outside Agencies, followed by seniority. Expertise and special interests of Council Members should be considered, including a situation where the Council Member rotates into a leadership role such as Chairperson to an outside agency. The adopted policy states that assignments to outside agencies shall be made annually, by the Mayor, subject to confirmation of a majority vote of the City Council. Attached and marked as Exhibit "A" is adopted Council Policy CP 94-01.

Typically, the Council reviews its outside agency assignments during the month of December. However, the Council deferred rotation of outside agency assignments following the Council's annual goal setting session scheduled for Friday, January 14 and Saturday, January 15, 2005.

The Council adopted two "Governance" goals in 2004. One of the governance goals reads as follows:

By December 2004, City Manager is to evaluate the existing system of Council committees and subcommittees, as well as its citizen commissions, committees and task forces and prepare recommendations for reducing costs, enhancing communication and improving decision-making decisions.

The City Manager is prepared to present the Council a report on his evaluation of the existing system of Council subcommittees, including those of citizens, commissions, and task forces at the Council's January 2005 goal setting session.

Staff has scheduled this item for Council consideration in order to allow Council Members the opportunity to review current assignments and to identify assignments that Council Members may wish to rotate into or out of, particular those assignments vacated by former Councilwoman Hedy Chang. Attached for Council assistance is Exhibit "B" which lists Council Committees and Outside Agency Assignments and Exhibit "C" which details the agency names, purpose of the agency, how often the committees/outside agencies meet, the current Council delegate and the staff representative(s). Also, attached is Exhibit "D," a list of request by other outside agencies for City Council representation/appointment.

Once the City Council have identified outside agency assignments, staff will notify the appropriate agencies and advise them of the changes.

FISCAL IMPACT: The time preparing the staff report is accommodated by the Council Services & Records Manager's operating budget.

Agenda Item #24

**Prepared/Approved
By:**

**Council Services and
Records Manager**

Submitted By:

City Manager